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This Country Commercial Guide (CCG) presents a comprehensive look at Belgium's commercial environment, using economic, political and market analyses. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents created for the U.S. business community. CCGs are prepared annually at American Embassies through the combined efforts of several U.S. government agencies.

Belgium is a federal state composed of a central government, three regional governments (Flanders, Wallonia and Brussels Region) and three different language communities (Dutch, French and German). There is no clear hierarchy among these policy levels and each has its own exclusive powers and areas of jurisdiction. The federal government is responsible for foreign affairs, national security, defense, taxes, and issues relating to the European economic and monetary union while the regions manage a wide variety of socio-economic matters. Under the evolving federal system, the responsibility for areas of interest to American business such as foreign trade, environment, investment regimes and incentives will increasingly become the responsibility of the regional governments.

Belgium is an outward looking country heavily reliant on trade. The country boasts tremendous infrastructure and is regarded as an ideal transit and distribution headquarters. The cosmopolitan and international nature of Belgium makes it an ideal European test market for American products and services. The domestic market is small enough that a huge commitment to a new product in Europe is not necessary, yet it is so diverse and competitive that it gives a representative sample of potential European and major international competitors. Both the Belgian government and the Belgian people are very enthusiastic about international commercial industries. Its capital, Brussels, is an urbane city and home to the headquarters of the European Union and NATO, as well as hundreds of international institutions, associations and multinational corporations.

Equally important, Belgium has strong competitive advantages such as an excellent transportation infrastructure, high-quality industrial sites, and a skilled and productive workforce. Similarly, it is at the geographical center of Europe, located within a 375-mile radius of 70% of the 370 million EU inhabitants. With a population of 10.2 million in an area about the size of Maryland, Belgium offers exceptional possibilities to American companies interested in entering the European market or looking for a European headquarters. Transport to the entire EU and far beyond is made simple through Belgium's extensive transportation capabilities. Home to the second largest port in Europe, Antwerp, and one of the ten largest in the world, Belgium is connected to over 15,000 miles of waterways linking all major industrial regions. An outstanding network of roads, rails and inland waterways enable goods shipped into Antwerp to be moved quickly and cheaply to European manufacturing and distributions centers. The Belgium train system claims the densest network of trains on the European continent. All major European highways pass through Belgium, and its modern national airport allows for convenient air travel.

The Belgian economy has great depth and diversity. A highly developed market economy, it is heavily reliant on international trade. The country's Gross Domestic Product (GDP) is dominated by a very large service sector (70 % of GDP), followed by manufacturing (25 %) and agriculture (2 %). Exports account for more than 74 % of Belgium's GDP, making it one of the highest per capita exporters in the world. 75% of Belgium's exports go to EU member nations making Belgium even more attractive as a European commercial and distribution hub. This highlights the country's importance as a commercial axis in Western Europe. In addition, Belgium and the United States have enjoyed strong reciprocal trade relations over the years. It is estimated that Belgium imported \$ 9.9 billion from the U.S. in 2000. The country ranks as the 11th largest commercial power worldwide and as the United State's ninth largest trading partner, which is impressive considering Belgium's small size.

Belgium is home to over 1,300 U.S. companies that play an active and important role in the economy. Traditionally, Belgium has maintained an excellent investment climate including a number of recently implemented tax incentive packages. However, a recent foreign investment study commissioned by the American Chamber of Commerce (AmCham) in Belgium indicates a growing concern that a number of factors are eroding Belgium's attractiveness for new investment. In response to this study, the AmCham has drawn up a "Foreign Investor's Agenda". The key issues include high labor costs and social contributions, inflexible labor regulations, high taxation levels, costly work hiring practices and a perceived lack of consistency in the government's tax policies. Problems encountered by specific sectors, such as telecommunications and pharmaceuticals, are discussed briefly in *Chapter VII: Investment Climate*.

As a member of the European Union (EU), Belgium must comply with all EU directives. Belgium is also one of the 11 European countries that introduced the Euro as its currency in 1999. Beginning January 1, 2002, the Euro will become legal tender (i.e., coins and notes) for consumer transactions in the participating countries. The phase-in of Euro notes and coins will take place alongside local notes and coins until February 29, 2002. Beginning March 1, only Euros will be accepted as legal tender for commercial and consumer use. While the exchange rate of the Belgian franc into the Euro is now permanently fixed, the currency will not begin circulating Before January 1, 2002. For more information regarding the European Union, its directives, and the European Monetary Union, please reference the CCG provided by the U.S. Mission to the EU.

With regard to the import/export figures reported in this CCG, please note that EU export statistics are no longer collected by customs officials at the border, but by the companies themselves on a voluntary basis. There is no penalty if they fail to report correct figures and therefore, this can lead to inexplicable differences in trade statistics between countries.

The Commercial Service's mission is to place primary emphasis on the promotion of exports of goods and services from the United States, particularly by small businesses and medium-sized businesses, and on the protection of U.S. business interests abroad. Our core business is providing timely, relevant, customized business solutions to assist U.S. firms to enter and develop global markets. We do this through a combination of cost-effective basic and specialized services.

The Commercial Service in the U.S. Embassy in Brussels is part of a European-wide initiative called Showcase Europe (SCE). Showcase Europe is a collective effort of all

the Commercial Service offices throughout Europe to assist U.S. companies in the European market. It includes coordinated programs for market research, trade shows, advocacy, etc. Additional information on Showcase Europe (SCE) can be accessed through the Internet at <http://sce.doc.gov>. CCGs can be accessed via our website at <http://www.usatrade.gov>. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact their nearest Export Assistance Center or the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-Trad(e) or by fax at (202) 482-4473.

MAJOR TRENDS AND OUTLOOK

Of all European nations, Belgium comes perhaps closest to how we intuitively conceptualize Europe as a whole: a prosperous, multilingual society with strong emphasis on solidarity between the different income groups and a healthy economic fabric. For the past ten years, European and Belgian unemployment rates have been virtually identical, and the European Central Bank has even adopted the business cycle indicator of the National Bank of Belgium as its unofficial indicator of the European economic climate six months in advance.

GOVERNMENT ROLE IN THE ECONOMY

With the signature of the Maastricht Treaty in 1993, Belgium's economic recovery began in earnest. Failure to meet the Maastricht criteria on inflation, budget deficits, and cumulative debt would have meant that Belgium would not be allowed in as a first-tier member of the European Monetary Union (EMU), with potentially dire consequences for this trading nation. Spurred by this external constraint, the government froze wages in 1994 and started an ambitious plan to privatize several public sector enterprises, including several banks, the telecom operator, Belgacom, and the national airline, Sabena. Although the Verhofstadt government still has a majority stake in both Belgacom and Sabena, it intends to further reduce it.

In May 1998, Belgium did indeed become a first-tier EMU member, without additional macroeconomic requirements being imposed by the other Euro Zone members. On January 1, 1999, the definitive exchange rate between the Euro and the Belgium Franc (BEF) was established at BEF 40.3399. Belgium will gradually shift from the use of the BEF to the Euro as its currency by January 1, 2002. On April 1, 2002, the BEF will be taken out of circulation and can only be changed at the regional offices of the National Bank of Belgium.

BALANCE OF PAYMENTS SITUATION

Belgium continues to post an impressive primary surplus (net government revenue minus interest on the debt) of 7 percent of GDP, and makes consistent progress toward the Maastricht target of a cumulative public debt not greater than 60 percent of GDP. The government's 2001 economic budget, presented in October 2000, projects a 0.2 percent surplus and a reduction in the debt/GDP ratio to 107 percent. Due to this debt reduction, the total burden of interest on the debt was reduced from 6.6 to 6.3 percent of GDP. However, current government expenditures are 2.5 percent higher than expected, due to the exceptional cost of health care and police reform. The 2001 budget only projected a 1.5 percent increase.

In 2000, Belgium posted net economic growth of 2.8 percent of GDP and in the year 2001, however, a real economic growth of 2.3 percent of GDP is projected. Inflation is expected to be around 2.2 percent, caused mainly by higher petroleum prices. Belgium's current account surplus of 5 percent of GDP is one of the highest among OECD countries.

PRINCIPAL GROWTH SECTORS

Economic growth this year is mainly created through higher exports (due to the slide of the Euro against the dollar) and increased domestic demand (driven by higher consumer and producer confidence) as well as by increased investments. Meanwhile, wage costs seem to be under control for the time being, while unemployment is expected to come down from 7 percent in 2000 to 6.8 percent in 2001. However, the 6.8 percent is an average figure which glosses over significant differences between both demand and supply as well as between regions. Unemployment in Flanders is currently 4 percent, against 8 percent in Brussels and 16 percent in Wallonia.

According to the OECD, in Belgium, product markets and especially the services sectors are areas where reform and increased competition could significantly enhance job creation, thereby facilitating efforts to make the labor market more flexible. Over the past few years, policy efforts in this area have mainly focused on responding to EU guidelines and recommendations. For the period ahead, the federal and regional governments have presented a very comprehensive program aiming at improving the functioning and efficiency of markets through a better regulatory framework, a reform of certain sectors, and measures to facilitate market access for small and medium-sized enterprises.

Nature of Political Relationship with the United States

U.S.-Belgian bilateral relations are excellent. Active in international diplomacy in Europe, Africa, and elsewhere, Belgium is a close ally and works with the United States on many international issues. Successive Belgian governments have been committed to the development of a strong European Union with common foreign, security and economic policies. These governments have also been proponents of strong transatlantic ties through NATO (North Atlantic Treaty Organization) and other institutions.

Belgium is home to the European Union (EU), NATO, Western European Union (WEU) and over 100 other international organizations. Belgium is a substantial aid donor, contributing bilaterally and multilaterally to humanitarian aid and development programs. Belgian peacekeeping troops remain stationed in Kosovo and Bosnia-Herzegovina; previous areas include Somalia and Rwanda. As a member of the IMF Executive Board, the G-10 and other organizations, Belgium wields significant influence in world affairs.

Major Political Issues Affecting Business Climate

Belgium has been a longstanding supporter of increased European political and economic integration. The country has consistently advocated the lowering of barriers for movement of goods, services, capital, and labor within Europe, which will benefit Europe and foreign businesses alike.

Brief Synopsis of Political System

Belgium has been a constitutional monarchy since 1830. Albert II was invested as King in August 1993, after the death of his brother Baudouin. The King, Prime Minister, and Cabinet constitute the executive branch of the federal government, with its 71-member Senate and 150-member Chamber of Deputies constituting the legislative branch.

The Government must retain the support of a majority in the Chamber of Deputies to remain in power. Federal parliamentary elections are held every four years or earlier if the government loses the support of a majority in the Chamber and no alternative coalition can be formed. There is universal suffrage, with compulsory voting and proportional representation.

Following the June 1999 elections a six-party “rainbow” coalition was formed consisting of the Flemish and Francophone parties of the liberals, the socialists, and the Greens. The Prime Minister is Guy Verhofstadt of the Flemish Liberal Party (VLD).

The most significant, long-term factor in Belgian politics in recent years is the gradual devolution of powers from the central authority to the regions. In the new federal structure, approved in July 1993, sovereignty is shared by the federal government, regions and the language communities. There is no hierarchy between these policy levels. Each has its own exclusive powers and is not allowed to interfere in matters under the jurisdiction of the others.

The regions are Flanders (northern, Dutch-speaking part of Belgium), Wallonia (southern, French-speaking area), and Brussels (the capital region, limited to 19 bilingual communes).

There is also a small German-speaking region in the eastern part of the country. Each region is responsible for a wide range of socio-economic matters within its own territory. Elected officials exercise legislative powers within their own regions and elect executive authorities. Under the evolving federal system, the responsibility for areas of interest to U.S. business such as foreign trade, environment and investment regimes and incentives will increasingly become the responsibility of the regional governments. This devolution means that Americans wishing to do business in Belgium have considerably more contact with regional officials than in the past.

Distribution and Sales Channels

Belgium has an excellent network of distributors who are often regarded by the French and Germans as a neutral source of goods. Belgium adheres to EU laws and directives, and Belgian business continues to benefit from the development of the single European market concept, which was created by the EU member states in the 1990s. However, the openness of the Belgian market should not mislead American companies into thinking that doing business in Belgium is the same as in the United States. The cultural, linguistic and economic differences found among various regions of Belgium strongly influence their styles of conducting business. A good distributor must be able to operate within all these environments.

Belgian distributors tend to be small and specialized. They do not have ready access to inexpensive capital and are somewhat conservative when it comes to risk taking.

Consequently, potential Belgian representatives will look to their suppliers for lenient credit terms. *(See Section VIII: Trade and Project Financing).*

Belgium has also established legal protection for distributors (as defined below) against sudden or unjustifiable termination of their distribution agreement. This includes measures ensuring the right to receive reasonable notice of termination and compensation for loss of income. In addition, the EU has passed similar legislation protecting agents (as defined below). American companies should consider consulting a legal expert before drawing up a representation agreement in Belgium.

The Belgian industry sectors most oriented toward foreign markets were affected by a slowdown in French and German production, which began in 1996. These sectors include semi-finished goods, such as iron, steel, non-ferrous metals, and chemicals. However, figures show that industrial output began growing again in 1997. Despite growth picking up again from 1997 through 2000, a slowdown reflecting the reduced rate of forecast growth in the EU and U.S. is expected in 2001 and 2002.

Until 2000 and early 2001, the capital goods sector benefited from strong investment demand in Belgium, and the consumer products sector gathered momentum as a result of the continued favorable economic trend. Sectors such as accounting, fiscal expertise, advertising and maintenance did particularly well. However, sectors largely dependent on household consumption, such as retail, healthcare, and the catering industry took longer to react to the improved economic situation. As indicated above, an overall slowdown in the economy is expected during 2001 and 2002.

Use of Agents and Distributors: Finding a Partner

Several thousand U.S. companies are selling on the Belgian market through distributors and agents. The new-to-market U.S. company will find a large number of well-established representatives in virtually every industry sector in Belgium. On many occasions, their territory is larger than just Belgium; often it includes the Benelux (Belgium, Netherlands, and Luxembourg) and one or more neighboring European countries. European purchasers sometimes perceive Belgian agents and distributors as neutral sellers, placing them at a distinct advantage vis-a-vis their German or French counterparts. However, many well-established distributors in certain sectors are reluctant to take on new product lines due to various business constraints, notably the lack of access to quick and affordable financing, and high social costs for additional employees.

Considering the host of distribution options available in Belgium, it is important for the would-be U.S. exporter to select the method best suited to his or her product. Belgian buyers generally prefer to purchase through an intermediary, making sales directly to the end-user a scarce practice. Sales of expensive, technically sophisticated goods are an exception to this rule, however.

Intermediaries may take one of three primary forms under Belgian law: Distributor, Agent, or Salaried Representative.

Distributor

The Law of July 27, 1961 defines the parameters of a distributorship agreement as any agreement under which the supplier reserves for its distributor(s) the right to sell, in their

own name and for their own account, products manufactured or distributed by the supplier. The distributor (concessionaire) operates independently and is only bound by the written provisions of the distribution agreement. Several types of agreements exist, one of which is exclusive distributorship. Other agreements include those whereby the distributor is responsible for selling nearly all products specified by the supplier, and agreements that place significant responsibilities on the distributor to the extent that, in the case of termination, the distributor would be likely to incur substantial losses. However, these agreements are subject to specific rules and regulations regarding exclusive distribution and price-fixing.

The conditions of contract termination are an important concern, and vary with the type of distribution agreement. Either party, without prior notification or indemnification, may terminate a distribution agreement of specified duration at the end of the contract period. If the termination takes place before the end of the contract period, the terminating party may be sued for breach of contract.

A distribution agreement with an unspecified duration may be terminated by either party without indemnification after a fair notice period, usually six months. The termination of such a contract by the producer without fair notice may be grounds for damage claims by the distributor. In addition, the Law of 1961 provides an additional fair indemnity to be paid by the supplier to the distributor. This additional indemnity applies in cases where: 1) the distributor's activities result in a substantial increase in customers (provided they remain with the supplier after termination), 2) the distributor's investment costs will benefit the supplier after termination; and 3) the distributor pays severance indemnities to its personnel laid off at the time of the contract's termination.

Agent

This category covers commercial agents, as well as those persons acting as agents but not fulfilling the requisites for commercial agent status. As opposed to distributors, agents do not actually purchase goods for resale. Instead, they match up buyers and sellers on a commission basis. In 1995, new legislation concerning commercial agency agreements was enacted in support of the 1986 EEC (European Economic Community) Directive 86/653. This new legislation defines a commercial agency agreement as a contract where the principal assigns the commercial agent negotiation and possible signatory responsibilities. Thus the agent is able to act in the name and on behalf of the principal, on a permanent basis and in exchange for compensation. All agents exercise their activities in an independent manner, and their principals are exempt from payment of payroll taxes. Agents assume their own fiscal charges (business license tax and value-added tax) and social charges (health insurance, social security and retirement/pension benefits).

Commercial Agent

Agents with a written contract have the status of commercial agents if they exercise their activity as a sustained independent profession and fulfill the following conditions: 1) do not have a written employment contract; 2) negotiate sales and purchases on behalf of producers, manufacturers or dealers; and 3) are registered with the Tribunal of Commerce as commercial agents. A commercial agent is independent and free to act on the behalf of any other firm. However, in the case where the agent wishes to represent the principal's competitors, consent of the principal must be secured.

The principal may justifiably terminate the commercial agent contract only if the agent shows substantial deficiency in carrying out his or her obligations. After a fair notice period, an agency agreement with an unspecified duration may be terminated by either party without indemnification. This period is one month during the first year of the agreement, two months during the second year and so on with a maximum of six months unless another agreement is reached between both parties. Otherwise, contract termination gives the agent a right to indemnification, often equal to two years' commission.

Other Agents

Persons who do not fulfill all the requirements for commercial agency and who are not in a position of subordination to the company they represent are considered agents. A notary act or private agreement can affect the authorization of an agent. Either party may terminate the agency agreement at will, but the non-terminating party has a right to indemnification of losses.

Salaried Representative

Unlike agents, salaried representatives have employment contracts. They share with their employers the burden of payroll taxes contributing to social security, unemployment compensation and retirement/pension plans.

Statutory Representative

Whatever their qualifications or title, persons are considered statutory representatives if they exercise their activity as a sustained independent profession and fulfill the following conditions: 1) engage in the activity of a sales representative for the account of one or more employers; 2) desist from executing commercial operations on their own behalf; 3) institute mutual commitments with employers regarding the nature of the goods or services offered for sale, the region of activity or the category of clients, and the rate of compensation.

Non-statutory Salaried Representative

Representatives who are subordinate to their employers and who do not fulfill the requisites for statutory representative status fall into a separate category and are considered regular employees.

Finding a Partner

The U.S. Department of Commerce's International Trade Administration offers several services to help the would-be exporter identify potential foreign representatives. The three primary services available from the Foreign Commercial Service in Belgium are the Gold Key Matching Service, the International Partner Search (IPS) and Industry Targeted Mailings. Brief overviews of these services are as follows:

Gold Key Matching Service and Video Gold Key Matching Service – Custom tailored services that combine orientation briefings, market research, appointments with potential partners, interpreter service for meetings, and assistance in developing follow up strategies. Video services also can be provided.

International Partner Search (IPS) – Customized overseas search for qualified agents, distributors, and representatives for U.S. firms. For each IPS, commercial officers identify up to six foreign prospects that have expressed interest in the U.S. firm's product.

International Company Profile (ICP) – Identifies the reliability of prospective trading partners. Some of the information provided includes: financial data, officers of the company, general reputation and other basic company data. Includes a visit by a Commercial Service Trade Specialist.

To request any one of these services, firms should contact the nearest U.S. Department of Commerce District Office.

In addition, the U.S. Department of Commerce offers the Franchise Partner Search Service (FPSS), Customized Market Analysis (CMA), Flexible Market Research (FMR) Programs, and International Company Profile (ICP) service. The U.S. Commercial Service has also launched an e-market website at <http://www.BuyUSA.com>. BuyUSA is a unique e-marketplace sponsored by the U.S. Department of Commerce and IBM that provides trade opportunities for U.S. exporters and international companies.

Contacting and Evaluating Potential Representatives

Once an American company has identified several potential representatives, it should contact them directly in writing. Just as the U.S. firm is seeking information about the Belgian representative, the representative is interested in corporate and product information on the U.S. firm. The U.S. firm should provide full information on its history, resources, personnel, product line, previous export activity and all other pertinent information.

At the same time the firm is providing information on itself, it should also engage in a thorough investigation of the potential representative. The following is a list of important facts the firm should research about the representative's current status and history: background on principal officers, personnel and other resources, sales territory covered, current sales volume, typical customer profiles, methods of introducing new products into the sales territory, names and nature of U.S. firms currently represented, trade and bank references, assessment of whether U.S. firm's special requirement can be met, and view of in-country market potential for the U.S. firm's products.

The U.S. firm should not hesitate to ask potential representatives or distributors detailed questions. Exporters have the right to explore the qualifications of those who propose to represent them overseas.

Franchising

Although Belgium is a small country of ten million inhabitants, it is an excellent test market for launching new products in Europe. Belgian characteristics are close to European averages regarding private and public expenditure, GDP per capita, age distribution, and activity of its population. In addition, the market is receptive to U.S. franchises due to its large American community stemming from international organizations such as NATO and SHAPE. This has led American franchisers to explore the market in ever-greater depth.

In March 1992, the Belgian Franchising Federation was established. The Federation is open to both domestic and foreign franchisers operating in the country and the Federation can provide prospective franchisers with considerable information on the franchise market in Belgium.

Belgian Franchising Federation
Boulevard de l'Humanité, 116/2
B-1070 Brussels
Tel: +32/2 523-97-07
Fax: +32/2 523-35-10
E-mail: fbf-bff@euronet.be
Internet: <http://www.fbf-bff.be>

In Belgium, there is no specific statutory legislation regulating the franchising agreement, unlike other members of the European Union. This is not to say that there is a legal vacuum on the matter. Franchise contracts are considered commercial agreements subject to law of contracts, commercial law and common law.

Belgium's membership in the European Union makes it subject to the legal provisions for franchising business in the EU. This is regulated by two documents drawn up by the Directorate General on Competition (DG IV), and voted by the relevant Council of Ministers.

- Commission Regulation (EEC) N. 4087/1988 of Dec. 22 1999 on the application of Article 81 (3) of the Treaty to categories of vertical agreements and concerted practices. OJ L 336, 12/29/99.
- Commission Notice: Guidelines on Vertical Restraints. OJ C 291, 10/13/00

An excellent source of information on these matters is the European Franchise Federation, a powerful pressure group in Belgium. In addition, it has developed a European code of ethics for its members. It outlines a series of provisions on fair behavior, but does not have the effect of law. Its provisions include arbitration in the case of disputes.

European Franchising Federation
Boulevard de l'Humanité, 116/2
B-1070 Brussels
Tel: +32/2 520-16-07
Fax: +32/2 520-17-35
E-mail: eff-franchise@euronet.be
Internet: <http://www.eff-franchise.com>

A unit-oriented Franchise Trade Fair is held annually in February or March (TBA for 2002) and will draw approximately 5,000 visitors to the 5,500 sq. meter site. Currently this Fair is targeted toward consumers, but steps are being taken to upgrade it to a master zone fair.

The organizers are:

Fairtec
M. Joelle Blokland
Autolei 337
B-2160 Wommelgem
Tel: 32/3 354-08-80
Fax: 32/3 354-08-10

Email: franchise@fairtec.com
Internet: <http://www.franchise.be>

Enjeu
M. Mauriel Storrer
Ave. Louise 149/24
B-1050 Brussels
Tel: 32/2 535-75-66
Fax: 32/2 535-75-75
Email: Muriel.Storrer@enjeu.org
Internet: <http://www.enjeu.org>

Direct Marketing

Direct marketing is a steadily growing technique for selling directly to the consumer. Telephone calls at home, personalized letters and massive door to door letter-drops are all on the rise. There are signs, however, that consumer sensitivity is beginning to resist the onslaught. Belgium has several direct marketing organizations and is the home of the European Direct Marketing Association.

Federation of European Direct Marketing Associations
439, avenue de Tervuren Tel: +32/2 779-42-68
1150 Brussels, Belgium Fax: +32/2 779-42-69
Email: info@fedma.org
Contact: Alastair Tempest, Director General

The following multi-range consumer mail order catalogs are also available in Belgium:

Trois Suisses
35, Chaussee de Lille
7501 Tournai, Belgium
Tel: +32/2 23-57-26
Fax: +32/69 88-22-11

La Redoute
BP 1
7730 Estaimpuis, Belgium
Tel: +32/5 685-12-11
Fax: +32/5 685-12-03

Joint Ventures/Licensing

In addition to the Commercial Service, there are numerous banks, professional organizations, service companies, and financial organizations that are prepared to advise and assist parties considering joint ventures and licensing in Belgium. The American Chamber of Commerce (AmCham) in Belgium, which has over 1000 members, can provide practical assistance and professional advice to businesses of all sizes. Belgium has a very sophisticated business community with many highly qualified potential joint venture and licensing partners.

U.S. companies are advised to quote prices on a Cost Insurance Freight (CIF), based on the Belgian sea or airport basis. This is standard practice for most exporters since it

facilitates comparisons with EU supplier prices, which need no further adjustment for import duties and are usually quoted on a delivered warehouse basis.

Advertising and Trade Promotion

The U.S. Commercial Service publishes a professional commercial magazine, entitled "Business Links," which is sent to over 4,500 subscribers in Belgium and Luxembourg. These subscribers include Belgian importers of U.S. products and services, as well as American companies operating in Belgium. U.S. companies are welcome to advertise in the magazine. Rates are available from the U.S. Commercial Service at the Embassy or from the publisher: David Starr, Computerware, Avenue de la Fauconnerie 60, 1170 Brussels, Belgium, Tel: +32/2 660-54-68, Fax: +32/2 672-77-49.

The AmCham also publishes a magazine which goes to its 1,000 members. The Chamber's magazine reaches a clientele that want to interest American exporters. Rates are available from the American Chamber (Tel: +32/2 513-67-70 Fax: +32/2 513-35-90)

In addition, Belgium has a number of sophisticated newspapers and magazines published in Dutch or French. They are listed below, along with the one English language magazine published in Belgium, called "The Bulletin". English readers in Belgium can also choose from the International Herald Tribune and the Wall Street Journal Europe.

De Standaard (Dutch daily)
Gossetlaan 28
1702 Groot-Bijgaarden
Tel: +32/2 467-22-11
Fax: +32/2 466-30-93

Knack (Dutch weekly)
Tervurenlaan 153
1150 Brussels
Tel: +32/2 737-51-39
Fax: +32/2 737-51-10

De Financieel Economische Tijd
(Dutch business daily)
3 bus, 9 Posthoflei
2600 Berchem
Tel: +32/2 286-02-11
Fax: +32/2 286-02-10

Trends Magazine (Dutch weekly)
Research Park Zellik
De Haak 2
1731 Zellik
Tel: +32/2 467-57-00
Fax: +32/2 467-57-58

Le Soir (French daily)
120 Rue Royale

1000 Brussels
Tel: +32/2 225-55-55
Fax: +32/2 225-59-11

La Libre Belgique (French business daily)
Bd. Emile Jacqmain 127
1000 Brussels
Tel: +32/2 211-27-77
Fax: +32/2 211-27-94

L'Echo (French business daily)
Rue de Birmingham 131, 3rd floor
1070 Brussels
Tel: +32/2 526-55-11
Fax: +32/2 526-55-26

Trends Tendances (French business weekly)
Research Park Zellik
De Haak 2
1731 Zellik
Tel: +32/2 467-59-00
Fax: +32/2 467-57-59

The Bulletin (English weekly)
Ackroyd Publications
Chausée de Waterloo, 1038
1180 Brussels
Tel: +32/2 373-99-09
Fax: +32/2 375-98-22

Steps to Establishing an Office

The American Chamber of Commerce (AmCham), in conjunction with the U.S. Embassy, operates an outstanding service called the AmCham Investment Service. Drawing upon experts from the financial, accounting, real estate, legal, and business world, the AIS can be used by American companies considering opening an operation in Belgium. Upon request, AIS members will answer questions regarding a variety of issues either in person or via letter/fax. U.S. companies considering an investment in Belgium, including opening a sales office or distribution center, should contact the AmCham, Sheila Chabeau, (Tel: +32/2 513-67-70 or Fax: +32/2 513-35-90) to request use of the AIS. In addition, the AmCham publishes a booklet entitled "Doing Business in Belgium," which provides guidance on a host of issues related to setting up an operation in Belgium.

Selling Factors/Techniques

In addition to a very competitive and sophisticated nature, the Belgian market is marked by the Dutch, French, and German language division and its related consumer characteristics. At the industrial level, where price/technical factors are usually paramount, the language issue is not particularly significant; but at the consumer level, issues such as labeling and marketing strategies take on greater importance. In both

cases, personal relationships between buyers and sellers can be influenced by the language factor, so it is important to carefully check claims by importers and distributors that they cover the whole Belgian market.

Pricing Product

Belgium is a highly competitive market and so the Belgian importer is looking for the best quality at the lowest price. American products and technology are highly regarded, but they do not command higher prices than competitive products available from within the EU or other third country exporters. One must consider that, while Belgium is an important market in its own right, it is also the country of entry for many imports with destinations throughout Europe. This environment gives Belgian buyers access to a wide range of products at competitive prices in their own market.

Introduction of the Euro

Since 1999 the Euro has been used as a currency for commercial transactions by the following EU member states: Belgium, Luxembourg, the Netherlands, Germany, Austria, Spain, Finland, France, Greece, Ireland, Italy, and Portugal. From January 1, 2002 the Euro will become legal tender (i.e., coins and notes) for consumer transactions in the above states. The phase-in of Euro notes and coins will take place alongside local notes and coins until February 29, 2002. From March 1, only Euros will be acceptable as legal tender for commercial and consumer use. The rates of exchange between the Euro members are fixed. The rate for Belgium (BEF) and Luxembourg (LUF) is BEF/LUX = Euro 40.3399.

Sales Service/Customer Support

Belgium has implemented legislation that facilitates the creation of distribution, service or coordination centers in Belgium. Distribution centers can engage in a variety of activities including: the purchase of raw materials for members of the company group; the storage, management, and packaging of raw materials; the sale, transport and delivery of these raw materials to group members; and the handling of certain goods purchased for resale. In addition to enlarging the activities performed at distribution centers, the Belgian government has passed legislation allowing these activities to be taxed at a favorable cost-plus rate. Similar tax benefits were also recently passed for service and coordination centers.

A service center is an external and independent entity set up by a multinational company with the purpose of exclusively carrying out between one and several specific activities on behalf of the companies of the group. Included in these activities is extensive customer support, such as call centers for the follow-up and support of the sale of goods, help desks for products, registration and confirmation of orders, data processing, customer information and so on. Qualifying service centers must be set up as Belgian resident companies. In contrast, a coordination center is designed to permit a multinational group to directly perform certain financial activities on behalf of its member companies. In distribution, service, and coordination centers, multinationals can derive significant tax and other benefits from operating in Belgium. Specialized tax regimes for all three types of centers allow international companies to broaden their activities while still benefiting from the system's advantages in terms of attractive tax incentives. See *also Chapter VII: Investment Climate*. For more information on distribution, service and

coordination centers, a U.S. company should contact the American Embassy in Brussels or the following:

Ministry of Finance - Administration of Fiscal Affairs
Tour des Finances
Boulevard du Jardin Botanique, 50 bte 52
1010 Brussels, Belgium
Contact: Mr. Gombeer, Auditor
Tel: +32/2 210-23-48
Fax: +32/2 210-33-07

Ministry of Economic Affairs - Service for Foreign Investors
60, Rue Général Leemans
1040 Brussels, Belgium
Contact: Mrs. Colette Von Stralen
Tel: +32/2 206-58-63 or 206-58-64
Fax: +32/2 514-03-89

Ministry of Finance - Administration of Direct Taxes
Tour des Finances
Boulevard du Jardin Botanique,
50 bte 32
1010 Brussels, Belgium
Tel: +32/2 210-22-11
Fax: +32/2 210-41-18

Contact: Mr. Patrick Jacobs - Coordination Centers,
Distribution and Service Centers
Tel: +32/2 210-23-42
Fax: +32/2 210-41-18

FORUM 187 (Federation of Coordination Centers)
Rue Brederode 13-11
1000 Brussels, Belgium
Contact: Jean-Yves Dopchie, Secretary General
Tel: +32/2 282-00-50
Fax: +32/2 280-18-16

Selling to the Government

Although the objective of EU directives has been to open government procurement to foreign companies, in practice it is still advisable to work with a locally established company that has the appropriate contacts and local market expertise. Purchases by government or local are subject to procurement by public tender. Thresholds for public tenders are as follows:

- Works Directive (93/37/EEC): \$5.35 million
- Supplies Directive (92/36/EEC): \$214,000
- Services Directive (92/50/EEC): \$214,000
- Utilities Directive (93/38/EEC): \$428,000 (water, energy & transport)
\$640,000 (telecom)
\$5.35 million (works)

***For the most current information regarding EU directives and statistics, please refer to
<http://www.europa.eu.int> or the Country Commercial Guide for the U.S. Mission to the EU at
<http://www.useu.be>.***

Protecting Your Product from IPR Infringement

The intellectual property rights (IPR) granted under U.S. patent, trademark or copyright law can only be enforced in the United States and its territories and possessions. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Patents

Belgium is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). The Community Patent Convention has only been ratified by Germany and Greece, and so a single European patent does not yet exist. In the meantime, the patent applicant can choose between a national and a multiple-country patent. In the latter case, a single application to the European Patent Office in Munich (European Patent Office, Erhardstrasse 27, D-80331 Munchen, Germany, Tel: 49-89-23990, Fax: 49-89-23994465) is required for obtaining patents valid in a number of countries within the EU, Liechtenstein, Monaco, and Switzerland. A patent thus granted is valid in Belgium only when a copy of the grant is in one of Belgium's three national languages and is filed with the Belgian Office of Industrial Property. To obtain a national patent in Belgium, the inventor or his/her assignee must file a request with the Office of Industrial Property in the Ministry of Economic Affairs. Officially, the Belgian Patent Office cannot refuse to grant anyone a patent. Normal Belgian patents last for six years, and those who require a twenty year patent must request a "Novelty and Non-Obvious Search." Once granted, the patent is registered with the Register of Patents, again located in the Ministry of Economic Affairs. However, the validity of the Patent is not guaranteed. The Belgian courts have the power to nullify a patent if the court feels that the patent does not meet the Novelty and Non-obvious specifications.

Trademarks

An EU Trademark Office has been established in Alicante, Spain. Trademark registration can be handled through this office:

EU Trademark Office
Av. Aguilera 20
E-03080 Alicante, Spain
Tel: +34/96 513-91-00
Fax: +34/96 513-11-73

Trademarks in Belgium have been regulated by the Uniform Benelux Law of 1962, which offers protection in Belgium, the Netherlands and Luxembourg. A trademark application can be filed with the Belgian National Office in the Ministry of Economic Affairs or with the Benelux Trademark Bureau located in The Netherlands

(15 Bardewyklaan, 2591 XR Den Haag, Tel: 31/ 70/ 349-1111, Fax: +31/70 374-57-08, Email: info@bmb-bbm.org). A search is required to ascertain the existence of a similar or identical trademark for the same category of product. If granted, protection lasts for ten years from the date of application and can be renewed for further periods of ten years each. Trademarks must be used within three years of registration or within any uninterrupted period of five years.

Copyrights

Belgium is a member of the Bern Convention and the Universal Copyright Convention (UCC) of Geneva. As a member of the UCC, to which the United States and 50 other countries belong, Belgium accords authors automatic copyright protection throughout all UCC countries when registered with this organization. Protection exists for the life of the author, as well as 50 years after death. In addition, Belgium has passed a revised copyright law, which brings Belgian practice into conformity with existing EU directives. However, EU directives permit some variation in each member state and U.S. firms wishing to protect their copyrights in Belgium should consult local legal counsel. This is particularly true regarding reciprocity provisions in the new law.

The harmonization of national copyright legislation throughout the EU has been prioritized for certain sectors in the European Commission's green paper and follow-up paper. Steps have been taken in the fields of:

- Computer Programs (adopted): Software protected as literary work.
- Satellite Transmissions (adopted and in force): Authorizations from the copyright holder only in the member state from which the transmission occurs.
- Cable Broadcasts (adopted and in force): Rights for the simultaneous, unaltered retransmission by cable of programs would be negotiated exclusively within collective management societies.
- Copyright period (in force since July 1, 1995): Copyright protection 70 years after the death of the author, and for neighboring rights: 50 years.
- Rental/Lending and related rights (adopted): Exclusive right permitting authorities, performers and producers, film and record producers to authorize or forbid the rental or lending of their works. The directive harmonizes member state legislation on certain neighboring rights concerning fixation reproduction, distribution, broadcasting, and communications to the public.
- Databases (proposal): Harmonization of EU copyright rules affecting databases, including an "unfair extraction" clause.
- Design and Model protection (proposal): 25-year period of protection for industrial models and designs. Applications for the registration of a design are filed with the Benelux Office for Designs and Models or with the Ministry of Economic Affairs (see Appendix E, Foreign Investment offices).

In July 2001, EU Member States (MS) agreed on EU-wide rules concerning online copyright. The new framework aims to harmonize copyright law across the MS, adapt existing laws to the digital environment, and implement the World Intellectual Property Treaty into EU law. For the full details of this new directive, contact Martin Whitehead, US Mission to the EU, +32/2 508-26-24 or go to <http://www.useu.be>.

Need for Local Attorneys

Belgium is not a highly litigious country. Nevertheless, U.S. companies should consult local attorneys for most business transactions, i.e., when drawing up an agency or a distribution agreement. The standard U.S. agreement, which often applies U.S. law, will not suffice in Europe. Local attorneys are also needed when registering patents, trademarks, or copyrights. Ultimately, local legal advice is essential when setting up an office, or when establishing a distribution, service or coordination centers. The Commercial Service maintains a list of local lawyers specializing in business transactions throughout Belgium and Europe.

Performing Due Diligence

To assist American companies in conducting due diligence prior to entering into financial and/or business agreements with Belgian companies, the Commercial Service can recommend several reputable firms that handle credit reporting and collections services. The market leaders in Belgium are Graydon International and Dun & Bradstreet; both addresses can be found in *Appendix E*.

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2001. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES:

* Please see Appendix F for lists of more comprehensive market research reports that augment the following market overviews.

Data in the following tables is in US\$ millions and ranked by next year's expected growth rate for U.S. imports.

1.	Computer Software	
	2001 est. total market size	1,871
	2001 est. imports from the U.S.	788
2.	Computer Services	
	2001 est. total market size	2,132
	2001 est. sales by U.S.-owned firms	457
3.	Telecommunications Equipment	
	2001 est. total market size	2,266
	2001 est. imports from the U.S.	262
4.	Auto Parts and Service Equipment	
	2001 est. total market size	19,546
	2001 est. imports from the U.S.	1,166
5.	Environmental Technologies	
	2001 est. total market size	3,071
	2001 est. total imports from the U.S.	53
6.	Telecom Services	
	2001 est. total market size	5,799

	2001 est. sales by U.S.-owned firms	633
7.	Electric Power Systems & Services	
	2001 est. total market size	3,710
	2001 est. imports from the U.S.	93
8.	IT Hardware	
	2001 est. total market size	2,068
	2001 est. imports from the U.S.	729
9.	Plastic Materials and Resins	
	2001 est. total market size	3,075
	2001 est. imports from the U.S.	190
10.	Travel and Tourism	
	2001 est. total market size	1,862
	2001 est. total spending by Belgians	79
11.	Textile Fabrics	
	2001 est. total market size	2,217
	2001 est. imports from the U.S.	93
12.	Aircraft and Parts	
	2001 est. total market size	622
	2001 est. imports from the U.S.	283
N/A	Biotechnology	
	2001 est. total market size	N/A
	2001 est. total imports from the U.S.	N/A

Rank of Sector: 1
Name of Sector: Computer Software
ITA industry code: CSF

U.S. companies currently control an estimated 40 percent of the Belgian software market. Market growth in the sector for 2001 is estimated at 16.5 percent. Market growth may appear slightly slower for some American manufacturers because American companies already have such a large market share.

Many opportunities exist for U.S. companies in the Belgian software market, primarily for Windows-based programs, but increasingly in the UNIX and Linux-based environments. While companies are still implementing ERP projects, new projects including CRM, e-commerce, and call centers are being studied. The market for e-commerce application software such as Enterprise Performance Management (EPM), Financial Management, Human Resources Management (HRM), Customer Relationship Management (CRM) and Supply Chain Management (SCM) although currently quite small in Belgium, has been projected by some analysts to grow at an astonishing rate in the coming years. The segment security, which is increasingly connected to integration solutions and systems management solutions, is growing at a yearly rate of 22 percent.

Belgium has an extensive network of highly qualified packaged computer product distributors including broadliners such as Ingram Micro and Tech Data. Types of distributors range from those with large dealer networks to small, value-added resellers who focus on a specialized market. The majority of software originating in the U.S. is sold via this network, however, several American computer software companies have their own subsidiaries in Belgium and have established their own distribution network throughout the country. Other utilized channels of distribution are specialized computer shops and mail-order houses.

Market Statistics	1999	2000	2001
Total Market Size	1,674	1,792	1,871
Total Local Production	686	713	748
Total Exports	368	374	393
Total Imports	1,356	1,443	1,515
Total Imports from U.S.	746	751	788
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 2
Name of Sector: Computer Services
ITA industry code: CSV

Real growth in the market for computer services is expected to remain relatively stable in 2001, with a continuing growth rate of 11.3 percent from 2000. The largest IT spenders in Belgium are the financial and other services sectors (43 percent), followed by the manufacturing, building, and transport industries (28 percent), and the public sector, health care, and education (16 percent). The share of the public sector is expected to grow as of 2001 and beyond, due to the implementation of e-government projects at all levels of Belgian government. IT departments will buy fewer computer systems, but are looking for global solutions.

There are more than 3,000 IT services companies active in the Belgian market, including 431 companies in consulting and 1,759 in software development. While most of these are small enterprises, 40 percent of the IT services market is controlled by medium and large companies. IBM Global Services, Siemens, Econocom, Systemat, EDS, and Hewlett-Packard are among the top players in the Belgian IT services market. According to a recent IDC analysis, the IT consultancy sector in Belgium in 2000 was worth \$359 million representing 60 percent of the total management consultancy market.

It is estimated that 44 percent of Belgians have access to the Internet, either at home or in the office. Approximately 730,000 Belgian surfers (36 percent) have already made an online purchase. The e-commerce market in Belgium in 2000 was worth \$487.8 million

and is expected to grow to \$13.8 billion by 2004. This growth will come predominantly from SMEs. This business sector represents 73 percent of the country's total employment and 66 percent of its turnover. At the beginning of 2000, some 81 percent of small and 84 percent of mid-sized companies in Belgium were connected to the Internet. Furthermore, 22 percent of small companies and 28 percent of mid-sized companies in Belgium are considering hiring the services of an Application Service Provider (ASP) in the next 18 months.

Market Statistics	1999	2000	2001
Total Market Size	2,084	2,126	2,132
Sales by Local Firms	1,209	1,212	1,215
Sales by Foreign-Owned Firms	854	893	896
Sales by U.S.-Owned Firms	478	455	457
Exchange Rate: BEF per \$	37.3	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source for Figures: EITO

Rank of Sector: 3
Name of Sector: Telecommunications Equipment
ITA industry code: TEL

Despite some negative reports, the Belgian Information and Communications sector recorded a real growth of 12.2 percent, totaling \$14,488 million in 2000. For 2001 growth is expected to be around 10.4 percent. Unsurprisingly, the bulk of this growth can be explained by an increase in sales of telecommunications equipment (up 73 percent), which was in turn fuelled by a surge of mobile and Internet connection sales.

The mobile telephone market was worth \$801 million in 2000 and is expected to increase by 24.7 percent in 2001. While reporting high annual growth rates, Belgium - with 6.3 million mobile users - still lags some 5 percent behind the European average of 66.8 percent in terms of mobile penetration.

By April 2001, the Belgian Internet Service Providers Association reported that there were approximately 1,114,000 active internet connections. Paying broadband connections (ADSL and cable) account for over 16 percent of this total. The two major providers of broadband connections, Belgacom (ADSL) and Telenet (cable) report over 400 new connections daily. With 53 percent, the growth of paying broadband connections outpaces that of free (analog) connections (10 percent).

All telecommunications operators in Belgium have put large quantities of fiber optic ducts in the ground totaling some 40,000 km. At the same time several operators have built

large datacenters for co-location and for web-centric companies. These include Level3, WorldCom, Colt, Versatel, and KPN. Belgacom is finishing its datacenter based in Mechelen. Practically all of these centers are still waiting for customers.

The total e-commerce market in Belgium in 1999 was worth \$186 million and is expected to grow to \$13.8 billion by 2004. This growth will predominantly come from Internet-savvy small and medium sized enterprises (SMEs). This business sector represents 73 percent of the country's total employment and 66 percent of its turnover. According to Accenture, Belgian companies use more advanced e-commerce technologies and have more commitment to e-commerce than their European counterparts.

Market Statistics	1999	2000	2001
Total Market Size	1,961	2,164	2,266
Total Local Production	1,490	1,558	1,632
Total Exports	1,039	1,147	1,201
Total Imports	1,490	1,666	1,745
Total Imports from U.S.	238	250	262
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 4
Name of Sector: Automotive Parts and Service Equipment
ITA industry code: APS

There are 5.45 million motor vehicles registered in Belgium and 13,000 maintenance and repair outlets. Belgium has a very strong assembly industry (GM, Ford, VW, and Volvo) that assembles 1.2 million vehicles annually. Chrysler, Ford, and GM are all successful with the models they assemble in Europe. Both Ford and GM are making substantial investments to increase their production capacity. However, the market for "American" models is still lagging. Among Belgian owned cars, 60 percent are European, 30 percent are Japanese, 1.5 percent are American and 9.5 percent are either Korean, Russian, Polish, or Czech. More than 60 percent of all new cars sold are diesel.

Europeans in general, and Belgians in particular, tend to keep their cars longer than Americans. In Belgium, 54 percent of cars are over five years old. While American garage and test equipment has always been highly respected, American-made automobiles are now experiencing some resurgence in popularity. Best auto equipment subsectors include anti-theft devices, fast-rotating replacement parts, gadgets for in-car entertainment, car maintenance chemicals, hands-free telephone kits, and GPS. In the repair and service equipment market, the most promising items are air-conditioning, air-

conditioning maintenance equipment, electric diagnostic equipment, emission testing equipment, and equipment for technical inspection stations.

Market Statistics	1999	2000	2001
Total Market Size	15,451	16,525	19,546
Total Local Production	20,344	21,765	25,745
Total Exports	23,322	24,952	29,515
Total Imports	18,429	19,711	23,116
Total Imports from U.S.	921	986	1,166
Exchange Rate: BEF per \$	36.3	37.73	41
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001. The estimated 10% growth across the board is offset by the 10% decrease of the Euro exchange rate against the dollar.

Rank of Sector: 5
Name of Sector: Environmental Technologies
ITA industry code: POL

Belgium is one of the most densely populated and industrialized areas in the world. As a result, it faces numerous pollution and waste management problems. The three regional governments of Belgium, each responsible for environmental issues and implementation of European legislation in its area, have set up specific long-term environmental management plans, for waste (including soil remediation), water and air pollution. Increasing influence of the Green parties in political decisions is ensuring more attention to ecological issues and consumer protection in general. Growing consumer opposition to new incinerators and landfills together with political priorities shifting to pollution rather than remediation will force a reduction of wastes at the source. Belgium will strengthen implementation of the polluter-pays principle through ecotaxes and increase pollution taxes to finance environmental infrastructure.

Belgium will need to improve its record of implementing EU directives in certain areas. It is especially late in complying with EU water treatment directives. As a consequence, all three regions are investing considerable budgets for the construction and upgrading of their municipal water treatment plants and collectors by 2005. Another priority will also be to reduce nitrate and chemicals groundwater contamination, caused by an intensive agricultural industry. In the coming years, Belgium will also plan considerable investments in increase air pollution control in order to concentrate on reducing emissions of particulate matters in urban areas, mainly produced by intense motor vehicle, aviation and domestic heating pollution. Belgium has positioned itself as an active contributor to reducing pollution resulting in climate change issues. Belgium has an excellent record of national waste management. However, the new EU directives such as electrical and electronic recycling (WEEE) will require further investments in this niche sector for the coming years.

Belgium has had a few serious cases of site contamination. As a result, Flanders has a plan to remediate all contaminated historical sites by 2036. Industrial site owners are now liable for their lifetime for any pollution generated on site. By 2003, soil of all gas stations will need to be sampled and potentially de-polluted of hydrocarbons. Wallonia has a similar plan to remediate old sites by 2010.

The total environmental expenditure in Belgium (public and private sectors) is about 1.3 percent of GDP and amounts to approximately 3 million dollars with priorities on waste management, water treatment, and air pollution control. Belgium will make increased environmental investments in the coming years to meet its domestic objectives as well as its EU and other international environment commitments. Best prospects include measurement and analysis instruments, monitoring equipment, process controls, emission filters, recycling (electric and electronic equipment, cars, sludge, liquid waste, old tires, and green waste), and waste water and soil remediation.

Market Statistics	1999	2000	2001
Total Market Size	2,770	2,550	3,071
Total Local Production	3,046	2,830	3,376
Total Exports	896	841	870
Total Imports	620	560	565
Total Imports from U.S.	60	49	53
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 6
Name of Sector: Telecommunications Services
ITA industry code: TES

In the four years since the liberalization of the Belgian telecom market, tariffs for telephone and data services have sharply fallen and the market has become highly competitive. Today, Belgium has the highest broadband penetration in the world with 80 percent broadband access. Such widespread access and subsequent Internet usage creates a huge potential for web-based services.

The current slump in the worldwide telecommunications markets has helped Belgium's former monopoly holder Belgacom re-establish a strong market position, and it currently holds an 80 percent market share. U.S. companies complain about interconnect rates that favor Belgacom as well as lack of independence of the regulator. The Belgian government is planning further privatization of Belgacom and reform of the regulator by the end of 2001.

Mobile telecommunications services in Belgium are still the fastest growing segment of all telecommunication services, with a 76 percent increase in 2000. Today, 6.315 million people or 63% of the population use mobile telecommunications. By the end of 2001,

this number is expected to increase to 73 percent. Mobile telecommunications technologies are developing extremely rapidly. The three GSM operators in Belgium -- Belgacom Mobile, Mobistar, and KPN Orange -- are introducing GPRS technologies (2.5 generation mobile systems) on their networks during the summer of 2001 and they each obtained a UMTS (third generation mobile system) license in 2001. A fourth UMTS license still has yet to be awarded.

No single company has emerged as the national leader in the value-added telecommunications services sector including consultancy, e-commerce, web hosting and management of out-sourced company networks. There is tremendous potential for American companies.

Market Statistics	1999	2000	2001
Total Market Size	5,764	5,955	5,799
Sales by Local Firms	4,784	4,645	4,523
Sales by Foreign-Owned Firms	1,037	1,250	1,218
Sales by U.S.-Owned Firms	633	650	633
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Rank of Sector: 7
Name of Sector: Electric Power Systems and Services
ITA Industry Code: EPS

Belgium's electric power is provided largely by nuclear energy (56.8%) followed by coal (16%) and natural gas from Algeria, the Netherlands and the North Sea (mainly Norway; 23%). According to preliminary statistics from the Energy Department of the Ministry of Economic Affairs, Belgium's electricity consumption in 2000 was 78,420 Gwh, an increase of 3.1 percent over 1999. The increase was due to improved industrial and domestic consumption, a return to normal in the steel sector, where one major company was closed for a large part of 1999, and the chemical sector, which registered strong growth in 2000. The forecast for 2001 is an increase of approximately 2.4 percent in energy consumption.

Under the National Equipment Plan for Electricity and Transmission Facilities 1995-2005, a well-coordinated program of investment provides for the steady modernization and maintenance of the system. The \$9 billion program offers good opportunities for U.S. manufacturers despite strong competition from manufacturers in the EU. The current trend is for new generation equipment to be installed with combined cycle capability. Coal fired generators will also be steadily converted to combined cycle capability. Renewable energy is in its infancy in Belgium. Only 1.7 percent of the

energy consumption in Belgium is renewable. The 1995-2005 National Equipment Plan is due for revision this year.

The program is currently being revised to take into account developments in applying legislation under the EU energy de-regulation process. Increased transborder electricity trading, environmental pressures on air pollution and overhead transmission lines, and a drive towards cleaner and renewable power sources are major elements in revising the program.

The Belgian law addressing the EU energy directives on electricity and gas was passed in April 1999. The implementation date for the first stage of electricity deregulation was February 19 2000, with gas deregulation starting on August 10, 2000. New entrants into Belgium's electric power market will face stiff competition from Electrabel, which currently controls 84 percent of the market. In addition, there will be new competition from neighboring countries such as France, which produce low cost electricity from nuclear power plants. However, there will still be excellent opportunities for American companies providing support services and equipment to the power generation market.

Energy (electricity and gas) trading is developing fast. Electrabel, already a major player in the U.S. energy trading sector, is the leading Belgian company in the business. Distrigas has a small presence in gas trading in Belgium. ENRON, which has a sales office in Brussels, is active in the European energy trading market, principally through the London and Amsterdam energy trading exchanges. Other energy trading exchanges have been created in Frankfurt, Leipzig, and Stockholm. With increased liberalization of the EU energy markets providing freedom of movement for energy products across EU borders, energy trading provides a good opportunity for U.S. companies, with solid energy trading experience and techniques, to move into this comparatively new market sector. EMART 2001, which will take place in Milan in November 2001, is the leading expo and conference forum for the energy trading sector in Europe. Detailed information is available on <http://www.synergy-events.com>.

The process of liberalization in the energy sector will be the major factor determining the development of market opportunities for foreign companies to sell to local energy companies.

The following table gives an estimate of the market for electric power generating, transmission, and distribution equipment.

Market Statistics	1999	2000	2001
Total Market Size	3,268	3,661	3,710
Total Local Production	2,187	2,252	2,410
Total Exports	209	234	250
Total Imports	1,290	1,448	1,550
Total Imports from U.S.	77	87	93
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 8
Name of Sector: IT Hardware
ITA industry code: CPT

The IT hardware market was worth \$2,154 million in 2000, which is 5.7 percent more than in 1999. In 2001, the market is expected to grow by another 6.6 percent in real terms.

The largest market, PCs and portables, saw \$932 million in 2000 sales. In 2001, the PC market is expected to grow by 5.7 percent, while the portable market should grow by 7.9 percent. The server market in Belgium in 2000 amounted to \$791 million and is expected to increase by 8.1 percent in 2001. The PC printer market reached \$177 million in 2000 and will grow by 4.2 percent in 2001.

These EITO figures are confirmed by companies' first quarterly results. According to analysts, the PC market at present is characterized by a maturity process, but is far from saturated. However, mainly servers, portables and PC add-ons will fuel growth.

Competition focuses on price, flexibility and delivery periods (packaging solutions), and will become increasingly fierce. This is best illustrated by Dell's recent price cuts, challenging Compaq's 30 percent market share in Belgium. Other important players are IBM, HP and Fujitsu Siemens, and some local assemblers. The best opportunities for growth lie with SMEs.

According to the Belgian IT market research company Heliview, in 2001 computer hardware at 49.1 percent continues to be the biggest portion of total IT expenditures by Belgian companies.

One of the principal reasons for this sustained growth in IT hardware market is the surge in popularity of the Internet in Belgium. An estimated 44 percent of Belgians have access to the Internet. The e-commerce market in Belgium is expected to grow to \$13.8 billion by 2004 from \$186 million in 1999. Again, this growth will predominantly come from Internet-savvy SMEs. According to Accenture, Belgian companies use more advanced e-commerce technologies and have more commitment to e-commerce than their European counterparts.

Market Statistics	1999	2000	2001
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Total Market Size	2,215	2,154	2,068
Total Local Production	753	711	682
Total Exports	399	366	351
Total Imports	1,861	1,809	1,737
Total Imports from the U.S.	782	760	729
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 9
Name of Sector: Plastic Materials and Resins
ITA industry code: PMR

Following the low levels of the mid nineties and a period of strong growth in the late nineties and 2000, the market now faces a slowdown, which is expected to extend into 2002 at least. Average growth in 1997-2000 was 4.3 percent, but the outlook for 2001/2002 is about 2 percent at best. Price levels will continue to be very competitive as over-capacity, together with the lower market trend, lead to price-cutting marketing tactics. Restructuring and re-grouping will continue as the industry attempts to achieve cost savings by cutting capacity and achieving more efficient marketing and distribution.

The outlook for the Belgian plastic industry remains good because of its proximity to international shipping and distribution networks. Over 90 percent of production is exported, mainly to neighboring European markets. Seventy-five percent of its foreign trade in plastics and resins is with its EU partner nations. After Houston, Antwerp has the largest concentration of chemical and petroleum industries, which provide a strong local source of raw materials for the plastics and resins industries.

The high dollar exchange rate, combined with the weak Euro, has not favored imports from the U.S. Nonetheless, the strong market position and good product innovation record of U.S. plastics and resins manufacturers are expected to enable them to maintain their current level of exports to Belgium.

The Belgian plastics and resins industries rank fifth, after Germany, France, the UK and Italy, but before the Netherlands and Spain, and represents 8.5 percent of EU production and 14 percent of EU exports in those sectors.

Market Statistics	1999	2000	2001
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Total Market Size	2,730	2,983	3,075
Total Local Production	24,996	27,302	27,850
Total Exports	24,443	26,699	27,250
Total Imports	2,177	2,380	2,475
Total Imports from the U.S.	168	185	190
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 10
Name of Sector: Travel and Tourism Services
ITA industry code: TRA

Despite the strong dollar, travel to the United States remains strong. Competition among transportation service providers — airlines and tour operators — has kept prices down and interest up. Sabena, United, American, Delta Air Lines, Continental and US Airways provide direct service to the United States from Brussels, while other carriers provide service through other nearby European cities. Business travel has increased due to the growth of business between the US and Belgium/EU. As a vacation destination, the US is the long-haul favorite among Belgians.

The number of travelers from Belgium to the U.S. is expected to remain stable in the next few years. This trend is due to the strong dollar. Major growth sectors include business travel, fly-and-drive packages, mobile home vacations, and event-specific packages (i.e. Indy 500, ski weeks, Disneyland, shopping trips). New York, Florida, and California continue to be the most popular destinations, though Chicago, Atlanta, Washington D.C., Boston and Cincinnati also see significant traffic. Most Belgian travelers visit more than one state in the U.S. and venture into a variety of locations. An increasing number of visitors from Belgium are choosing to rent cars to visit smaller towns and cities thus increasing motor tourism.

The Visit USA Promotion and Marketing Bureau is a very useful source of information for the travel trade and general public. This organization is also a useful resource for travel industry professionals and for potential visitors to the US. It handles over 40,000 requests annually for information, and organizes travel promotion events. Their major event is the Visit USA Workshop (next event: March 14, 2002), where some eighty exhibitors meet with over five hundred travel trade professionals from Belgium and Luxembourg to discuss business opportunities. The Visit USA Promotion and Marketing Bureau contact information is Fax: +32/(0)3 899 13 76, E-mail: info@visitusa.org, website: <http://www.visitusa.org>.

Market Statistics	1999	2000	2001
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Total Market Size	10,615	9,817	8,890
Total Spending on Foreign Travel	6,016	6,867	6,220
Total Spending on Domestic Travel	4,599	2,950	2,670
Total Spending by Belgians Visiting the U.S.	603	558	505
Total Number of Belgians Visiting the U.S.	248,000	249,000	251,500
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values A-D are in millions of U.S. dollars. Values in E are in thousands of travelers.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size.

Rank of Sector: 11
Name of Sector: Textile Fabrics
ITA industry code: TXF

The textile fabrics sector continued to improve in 2000 in line with the country's improved economic situation. This trend is having a positive effect on consumer demand, which is reflected mainly in an increase in imports during the latter part of 2000. However, the forecast for 2001 is for little growth reflecting the overall economic outlook for the next two years.

Major subsectors are household decorative fabrics and upholstery textiles. Belgium is a major producer and exporter of household linen. There is a good market for upholstered textile, of which the U.S. is a major supplier.

The annual Decosit trade show in Belgium has become the major international event in the upholstery textile sector. Some fifty U.S. upholstery textile manufacturers exhibit at Decosit. In cooperation with the U.S. Department of Commerce Office of Textiles and Apparel (OTEXA), the U.S. Embassy organizes an American pavilion at Decosit. In addition, a parallel event called DecoContract has been created. DecoContract is for upholstery textile, floor and wall covering suppliers to the institutional markets, such as hotel groups, hospitals, cruise lines, etc. The next Decosit/DecoContract trade show will take place on September 9-12, 2001. Companies interested in exhibiting should contact: OTEXA, U.S. Department of Commerce, Washington, DC 20230; tel: (202) 482-5153; fax: (202) 482-2859.

Market Statistics	1999	2000	2001
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Total Market Size	1,998	2,217	1,862
Total Local Production	4,015	4,455	3,772
Total Exports	3,773	4,184	3,546
Total Imports	1,756	1,946	1,650
Total Imports from the U.S.	84	93	79
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 12
Name of Sector: Aircraft and Parts
ITA industry code: AIR

Belgium's two major airline carriers are Sabena, with its subsidiaries Dat and Sobelair, and Citybird. By 2002, Sabena will have gradually replaced its fleet of Boeings with Airbuses. Provided the company firms up all the orders, its total fleet will then include 34 Airbuses of the A-320 family, 8 A-330s, and 4 A-340s. Sobelair will continue to fly its B-767 and B-737. Exports from the United States are forecast to increase until 2003 due to Sabena's decision to power their 34 new Airbus A-320s with GE's CFM 56 engines, of which they have ordered 80. The company's future currently is uncertain given it and Swissair's financial situation.

Sabena Technics, a third-party repair and maintenance station, will keep its Boeing maintenance activities. In addition, the company had recently formed a 50/50 joint venture with SNCEMA that will significantly increase its maintenance and repair activities on GE engines.

Citybird is a fast-growing outside airline carrier that thrives on no-frills/low cost fares. The only significant general aviation company is Abelag. It imports, maintains and operates several brands of general aviation planes. In addition to operating a fleet of executive jets it also provides ground handling for heads of state planes.

There are approximately 120 Belgian companies involved in manufacturing and supplying aircraft parts. The best way to contact them is via their trade associations, FLAG and GEBECOMA. To enter the military market, American suppliers should contact the Office of Defense Cooperation (ODC) via the US Embassy. Zaventem, Brussels' international airport, handled 20 million passengers in 1999 and is continually expanding with a new concourse currently in the design stage.

The Belgian Government as well as the local Aerospace Industry are poised to participate in two major projects: the Airbus A-400M to replace the C-130, and the Airbus A-380. Both projects are supported by the government. A final decision on keeping and upgrading or replacing 90 F16s has been postponed.

Market Statistics	1999	2000	2001
Total Market Size	531	622	497
Total Local Production	145	170	204
Total Exports	193	226	271
Total Imports	579	693	693
Total Imports from U.S.	241	283	283
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: NR
Name of Sector: Biotechnology
ITA industry code: BTC

Belgium's well-structured network of prominent research institutions and universities, and the quality of the available science and technology have attracted many research oriented multinationals. While Belgium represents less than 3% of the European population, it has no less than 100 biotech companies, employing 4,500 employees.

The healthcare sector represents 77% of total biotech activity. Nevertheless, agricultural biotechnology, which represents less than 10% is growing rapidly. Both federal and local governments are strong supporters of biotechnology. They offer flexible and significant financial incentives, particularly for international developing activities and investing in Belgium.

Opportunities in the Belgian biotechnology market include research partnerships and collaboration with a strong network of academic and research institutions. There is also a movement to educate consumers about the benefits of genetically modified food and crops.

Since biotechnology is not a sector in itself but a technology that can be applied within various sectors such as the pharmaceutical, the chemical, and the agricultural sectors, there are no accurate figures available.

BEST PROSPECTS FOR AGRICULTURAL PRODUCTS TO BELGIUM AND LUXEMBOURG:

WINE

Belgium imports of U.S wine remained quite stable with a 1.3 percent decrease in 2000 to 5.75 million dollars from 5.82 million dollars in 1999 (figures adjusted according to current exchange rate) according to the Belgian Office of Foreign Trade. Although France continues to be the major supplier of wine to the Belgian market with approximately 71 percent of market share in 2000, France continues to lose market

share to wine from the “New World” countries such as South Africa, Chile, and the U.S. In Belgium, wine from the United States jumped from 2.07 million dollars in 1997 to 5.74 million dollars in 2000. On a volume basis, Belgian imports from the U.S. increased from 1.092 million liters to 1.6 million liters during the same time period. Although the Belgian market is relatively small, interest in U.S. wines is growing. Popular varieties in Belgium include Cabernet Sauvignon, Chardonnay, Zinfandel, and Pinot Noir. Because the average price for wines retailed through Belgian supermarkets is approximately \$5, specialty wine shops and the hotel/restaurant sector offer the most opportunity for U.S. wines. Belgian consumers value quality and are willing to pay higher prices for premium wines. Promotional support and consumer education efforts are important tools to stimulate U.S. wine sales in the Belgian market.

Market Statistics	1999	2000	2001
Total Market Size (in 1,000 liters)	204,998	207,000	220,000
Total Local Production (Bel & Lux)	16,000	16,000	16,000
Total Exports	29,534	29,000	20,000
Total Imports	218,532	220,000	224,000
Total Imports from the U.S.	1,929	2,300	2,000

Data for 2001 included in this chart are estimates
Source of trade data: Belgian Office for Foreign Trade.

TREE NUTS

Compared to other countries in the European Union, Belgian per capita consumption of tree nuts is relatively small. However, nut consumption has been increasing in the past five years and potential exists for continued increases in consumption, particularly for walnuts and almonds. Although a significant amount of Belgian nut imports are sold through specialty stores, retail sales through supermarkets are becoming increasingly important. Nuts are often imported in-shell and then roasted and salted in Belgium. In addition, there are a number of Belgian food-processing firms that use imported nuts in bakery products, confection and ice cream. Likewise, nuts are an important input for snack foods, a market estimated at 66 million dollars.

Market Statistics	1999	2000	2001
Total Market Size (in Metric tons)	24,092	28,642	29,000
Total Local Production	600	600	600
Total Exports	20,486	16,388	16,600
Total Imports	43,978	44,430	45,000
Total Imports from the U.S.	7,033	6,843	7,000

Data for 2001 included in this chart are estimates
Source of trade data: Belgian Office for Foreign Trade.

Trade Barriers

Belgium maintains an excellent and open trading climate for American companies, and government leaders at all levels are very supportive of free trade. However, that does not always translate into a commercial environment that is easy for an American company to understand or navigate. As a result, American companies do sometimes encounter trade problems. These problems often result from the Belgian tendency to compromise and avoid confrontation. Misunderstandings sometimes result from the unclear division of responsibilities among local, regional and federal authorities. This lack of clear responsibility can lead to bureaucratic delays and inconsistent legislation. Nevertheless, Belgium offers an excellent commercial environment for American companies.

EFFECTS OF THE SINGLE MARKET

Belgium is a member of the EU single market, comprising some 370 million consumers. As a consequence, it participates in the process of developing and implementing harmonized product standards applicable in all 15 member nations. As of January 1 1993, the EU (in theory) became borderless, allowing for the free movement of goods and services between member nations. There are common duty rates among all EU members on products imported from non-EU countries. VAT (Value Added Tax) rates are also in the process of being harmonized among the fifteen members. However, this effort might not be realized in the near future. Nevertheless, American companies should consider further developments in the process of opening up the EU markets as features that facilitate their access to the EU single market. Harmonized standards (to a certain extent), duties, VAT, etc., ease the process of doing business in a regional market.

On the other hand, American companies must also remember that the EU single market continues to consist of fifteen different and unique markets. For example, the single market does not eliminate language and cultural differences between national markets, nor does it eliminate differences in consumer buying patterns or distribution channels. Few distributors have the capability to effectively distribute a product or service in all fifteen member states. This problem is compounded by the legal differences in the treatment of agents and distributors between the EU members.

Most American firms should therefore consider maintaining separate distributors in individual EU markets. It is also vital to obtain sound legal advice in each country. This need to support multiple strategic and marketing programs will certainly limit the benefits that a company would hope to accrue from the EU single market.

For an explanation of the European Union and its governing European Directives (laws) please refer to *Section II: Economic Trends and Outlook, and the U. S. Mission to the European Union CCG* at <http://www.useu.be>.

Government Procurement of Goods and Services

The EU has adopted several directives covering public supplies and public works. These include the sectors of energy, water, telecommunications, and transport (the so-called “utilities” or “excluded sectors” directive). However, Belgium’s implementation of these

directives has been slow and incomplete. Belgian public procurement is still characterized by:

- Poor public notification and procedural enforcement;
- An unofficial “buy local” policy; and
- Lack of transparency throughout the procurement process.

In 1994, a new law on government procurement was implemented to bring Belgian legislation into conformity with EU directives. The revision has incorporated some of the onerous provisions of EU legislation, while improving certain aspects of government procurement at the various governmental levels in Belgium. The new law can only be evaluated over time and its benefits will be heavily influenced by the way it is interpreted and implemented in Belgium.

Ecotaxes and Environmental Regulation

The Belgian government has passed a series of ecotaxes in order to redirect consumer buying patterns away from materials considered to be environmentally damaging. The “Green” parties won heavily in the 1999 elections, and have an increasingly strong influence over environmental regulations. Ecotaxes, in all likelihood, will raise costs for U.S. exporters, as they adapt to the phased-in implementation. Environmental regulations in general are further complicated by the fact that various central government powers over the environment have been devolved to the three regions of Belgium. Implementation of ecotaxes will be the responsibility of the Regions as of January 2002 (*See also Special Import Provisions*).

Cattle Growth Hormone Ban

The EU bans imports of U.S. hormone-treated beef and all high-value products containing hormone-treated meat. This has led to the decrease in U.S. agricultural sales in member states of the EU, including in Belgium. The WTO’s Dispute Settlement Body determined in February 1998 that the hormone ban is not consistent with the EU’s obligations under international trade agreements.

Customs Valuation

As a member of the EU, Belgium applies the EU common external tariff to goods imported from non-EU countries. For goods imported into Belgium from other EU countries, no customs duties apply, unless the goods were imported from outside the EU and customs duties had not already been paid in another EU country. Import duties are based on the Cost Insurance Freight (CIF) price paid for the goods.

Goods imported into Belgium or made in Belgium are subject to Value Added Tax (VAT). VAT is levied on the value that is added to the goods or services at each stage in the production and distribution process. This process works by having a tax levied at each point en route, as ownership passes from one person to another. At every stage, an ‘output’ tax is charged on the current sales value, but the ‘input’ tax which has been charged by those at an earlier stage of the game can be offset or recovered. Thus the tax liability at each stage is based on the difference between the value of the outputs and the value of the inputs (hence ‘added value’).

VAT is payable upon importation, if Belgium is the destination of the goods being shipped into the EU. One of three rates will apply:

- 6 percent - daily necessities, food stuffs, etc;
- 12 percent - tobacco, fuel, etc.; and
- 21 percent - majority of commercial items

VAT is applied after customs duties are added to the price of the goods.

Import Licenses

Many products may be imported or exported without any prior license, but certain listed products and products from certain countries are subject to an import license. An application for such a license must be made with the Office of Quotas and Licenses (OCCL/CDCV). Strategic goods are also subject to an import and/or quota license. A list of products subject to quotas or licenses can be obtained either from the office of the OCCL/CDCV, by contacting a Belgian customs broker directly, or via an American broker.

Ministry of Economic Affairs
Office of Quotas and Licenses (OCCL/CDCV)
Rue Général Lemans, 60
1040 Brussels, Belgium
Tel: +32/2 206-58-16
Fax: +32/2 230-83-22

Export Controls

Selling into Belgium

The Bureau of Export Administration (BXA) is responsible for the licensing of exports out of the United States. There is no longer a distinction between validated licenses and general licenses - either you need a license or you do not (NLR - No License Required). An export license is required for reasons of national security, foreign policy, and short supply. Complete information on license requirements and forms can be accessed on the Bureau of Export Administration website at <http://www.bxa.doc.gov>.

Selling out of Belgium

Belgian controls apply to the export and re-export of military (conventional weapons) and dual-use items, as well as materials for weapons of mass destruction. Belgian companies send all applications for export and re-export to the Office of Quotas and Licenses in the Ministry of Economic Affairs. At that point, the process varies depending on whether the export is a conventional weapon/dual use item or a nuclear-related item.

If the item is a conventional weapon or dual use item, the Office of Quotas and Licenses will first determine whether, based on law and its experience, it will approve the item for export. If the Office makes an initial approval, it then sends the request for further approval to one of two federal ministers depending on the location of the Belgian company involved in the export. Once approved or rejected by the respective ministry, the applications are returned to the Office for final disposition.

If the item is nuclear or nuclear-related, the application must be approved by the Minister of Economic Affairs, after consultation with and advice from the National Nonproliferation

Board. The Board consists of representatives of five federal ministries, including Trade, Foreign Affairs, Health, Energy and Economic Affairs.

Import/Export Documentation

European Community Ministers agreed in 1991 to abolish virtually all customs documentation on goods moving between EU countries by January 1, 1993. However, countries outside the EU are still required to obtain proper customs documentation. The following is a summary of the documentation needed for U.S. exporters of goods to Belgium. However, such information can change overnight. U.S. exporters should always consult a reputable freight forwarder regarding recent changes in customs documentation and import/export regulations.

Packing List

This is not a mandatory document. However, including a packing list should facilitate customs clearance of goods.

Certificate of Origin

A certificate of origin is not, as a general rule, required under Belgian regulations for imports from the U.S. except when the certificate is specifically demanded in the import license. Sometimes certificates of origin are requested by the importer, bank, or required by a letter of credit clause. There are no regulations concerning the form and preparation of the certificate, but the data it contains has to be certified by a Chamber of Commerce, which will probably require an additional notarized file copy. Under EU regulations, certificates of origin may be required for certain goods, including goods subject to surveillance and/or quota requirements. Importers will instruct their suppliers when certificates of origin are required.

Insurance Certificate

Normal commercial practices pertain. Follow the instructions of the importer and the insurance company.

Steamship Company Certificate

There are no known requirements.

Import License

The vast majority of goods from the U.S. do not require an import license (as long as the importer is Belgian).

U.S. Shippers Export Declaration

This is required if the value of the shipment is more than \$2,500 (\$500 for shipments through the U.S. postal service) or where a validated license is needed. The \$2,500 exemption (\$500 for shipments through the U.S. postal service) applies to goods under each Schedule B number in a single shipment from one exporter to one importer.

Consular Fees

There is no known general requirement to have documents legalized. If requested to legalize a shipping or legal document, Belgian officials will usually do so at no cost or for a nominal sum. Please verify the policy of the consular office used regarding this matter.

Temporary Entry

Legislation exists that exempts goods brought into Belgium for re-export from import duties and VAT. Such goods must be kept in a bonded warehouse until they are re-exported. The shipment does not have to be re-exported in total. The portion of the shipment destined for the local or EU market is liable for duties and VAT at the time when the importation takes place. Additionally, goods may be sorted, repacked and relabeled in bonded warehouses. Many customs clearing agents in the main ports and airports are able to provide these services in bonded warehouses.

For temporary entry of goods, Belgium accepts an ATA Carnet. An ATA Carnet is an international customs document that simplifies customs procedures for the temporary importation of commercial samples, professional equipment, and goods for exhibitions and fairs. The Carnet facilitates international business by avoiding extensive Customs procedures, eliminating payment of duties and value-added taxes and eliminating the purchase of temporary import bonds. The document is valid for up to one year, and can be used for multiple shipments between the United States and Belgium. The United Council for International Business has been designated by the U.S. Treasury Department as the sole issuer and guarantor of ATA Carnets in the United States. For more information, visit the United States Council for International Business at www.uscib.org/carnet/carnet.htm or call (202) 371-1316.

Labeling, Packaging Requirements

Until recently, each EU country regulated its domestic industries for packaging and labeling. As part of the EU's 1992 single internal market program, the EU is now attempting to remove technical barriers by harmonizing existing European legislation and establishing new rules, when necessary, so that goods sold in one EU country can be marketed easily in any other EU country. However, differences still exist from country to country. In addition, national requirements exist side by side with EU-wide requirements. The following is a review of packaging and labeling regulations in Belgium affecting U.S. exporters. The review covers both national and EU-wide aspects of packaging and labeling in Belgium.

What Language to Use

Probably the most common question regarding packaging and labeling in Belgium is "what language am I required to use?" Belgium recognizes three official languages: Dutch, French and German. The prevailing Belgian law simply requires that consumers of the targeted market must be able to read the product information. Typically, this has been Dutch in the northern half of Belgium (Flanders), French in the southern half of Belgium (Wallonia) and German in two small communities of German-speaking Belgians on the Belgian-German border. Generally, both Dutch and French appear on all products sold in the Belgian market and should be considered the most prudent option for all newcomers. The language requirement is enforced rather liberally. For example, a judge in the Flemish city of Mechelen ruled in favor of a German company that resisted labeling its product in Dutch, as he deemed the local populace to be sufficiently well versed in German.

Labeling and Other Requirements

With only minor exceptions, there are no general labeling requirements on Belgian imports. Requirements for specific products should be obtained from the importer. Certain commodity imports, including numerous food items, are subject to special labeling regulations requiring that one show the manufacturer, composition, content (in

metric units), and country of origin (i.e., Made in the U.S.A). These special detailed and diverse regulations largely relate to health and quality standards, and are embodied in formal Belgian legislation and in EU directives. At the retail level, labels and all other indications, instructions, and safety warnings should be bilingual in French and Dutch. Given the complexity of this field, information should be requested from the importer prior to shipment.

The Belgian packaging institute has 273 members. The address of this non-profit organization is:

Institut Belge de l'Emballage
Research Park Zellik
Kranenberg 10
B-1731 Zellig/Asse, Belgium
Tel: 32/2/464-02-10
Fax: 32/2/464/02-39
Email: packaging@ibebvi.be
Contact: Mr. De Maegd, Information Service

Prohibited Imports

Few products are prohibited from importation into Belgium. Among these limited items are endangered species, including those listed in the CITES convention. Also prohibited from importation are weapons such as sword-sticks, daggers, bludgeons, and rifles above 20 caliber and antipersonnel mines. American-raised beef treated with hormones also may not be imported under EU regulations. As the list of prohibited items is subject to change, please contact the American Embassy for the latest information.

While the list of prohibited items is small, many products are subject to strict licensing and control. Belgian customs brokers or the American Embassy in Brussels can provide additional information.

Listed below are Belgian government offices that can provide information on specific restrictions and control measurements:

Products that are subject to import restrictions:

Ministry of Economic Affairs
Office of Licensing
Generaal Lemanstraat 60
1040 Brussels, Belgium
Tel: +32/2 206-58-16
Fax: +32/2 230-83-20
Internet: <http://www.mineco.fgov.be>

Agricultural products that are subject to an import certificate:

Belgian Bureau for Intervention and
Restitution
Trierstraat 82

1040 Brussels, Belgium
Tel: +32/2 287-24-11
Fax: +32/2 280 03-07

Regulation concerning the marketing of wine:

Ministry of Economic Affairs
Office Economic Inspections
WTC III - Simon Bolivarlaan 30
1000 Brussels, Belgium
Tel: +32/2 208-36-11
Fax: +32/2 208-39-15
E-mail: eco.inspec@mineco.fgov.be

Country of Origin Certificate for the import of textile products:

Ministry of Economic Affairs
Office of Economic Licensing
Generaal Lemanstraat 60
1040 Brussels, Belgium
Tel: +32/2 206-58-30
Fax: +32/2 230-83-22

Other food:

Ministry of Health
General Food Inspection
R.A.C. - Esplanadegebouw
Pachecolaan 19, bus 5
1010 Brussels, Belgium
Tel: +32/2 210-48-59
Fax: +32/2 210-48-16
Internet: <http://www.health.fgov.be>

Product safety:

Ministry of Economic Affairs
Office Quality and Safety
Koning Albert II-laan
1000 Brussels, Belgium
Tel: +32/2 206-41-11
Fax: +32/2 206-57-52
Internet: <http://www.mineco.fgov.be>

Live animals and other animal products:

Ministry of Agriculture and Small and Medium Enterprises
Office of Animal Health and Quality of Animal Products
WTC III - Simon Bolivarlaan 30
1000 Brussels, Belgium
Tel: +32/2 208-32-11
Fax: +32/2 208-35-91

Import of narcotics and psychotropic substances:

Ministry of Health
Drug Division
R.A.C. - Vesaliusgebouw
Pachecolaan 19, b. 5
1010 Brussels, Belgium
Tel: +32/2 210-49-24
Fax: +32/2 210-49-35
Internet: <http://www.health.fgov.be>

Standards

The importance of ISO (International Standards Organization) 9000 in selling to Europe: Simply put, ISO 9000 (EN 29000 in Europe; ANSI/ASQC Q 90 System in the U.S.) defines the basic requirements for a manufacturing quality control system. It includes documentation, controls, and worker training. Its aim is to ensure that a manufacturer's product will remain the same regardless of when it is taken off the production line. In other words, ISO 9000 is designed to ensure a consistent level of product quality. ISO 9000 standards are unlike engineering standards, which contain units of measurement, test methods and specifications. Rather, ISO 9000 standards encompass certain generic management practices designed to benefit both the producer and end user.

In today's marketplace, quality is a competitive advantage. While voluntary, European manufacturers are increasingly requesting that their suppliers be ISO 9000 registered.

In addition, more and more European importers are making the same request of their European and American suppliers. Although the ISO 9000 simplifies matters, the registration process is not cheap and market demands for registration varies across product and service sectors. It is important to note that ISO 9000 registration does not guarantee quality since it is more concerned with product consistency than product quality. It also does not ensure that a U.S. product will meet the various standards incorporated into EU directives covering a host of products.

Product and technical standards

There are a number of EU, and member-state, standards governing various product categories, as well as health and safety standards. When considering the Belgian and broader European market, a U.S. company needs to consider which voluntary product standards may apply to its products or services. An importer is one source for acquiring this information, at least in the initial inquiry stages.

Recycling, packaging and waste management

Practically all member states of the EU have now taken legal steps to implement the 1994 EC Packaging Directive 96/62/EC. American companies should focus on three major implications of this Directive:

1. Different schemes of recycling and packaging: A European standard through the "collective scheme" has developed, in that industry and trade have set up joint ventures at the national level to finance and organize the recovery and recycling of packaging.

Such schemes are Duales System Deutschland (Germany), Eco-Emballages (France), Alstoff Recycling (Austria), FOST Plus (Belgium), Valorlux (Luxembourg), Ecoembalajes (Spain), Sociedade Ponto Verde (Portugal), REPA (Sweden), REPAK (Ireland), VALPAK (United Kingdom), and CONAI (Italy).

The collective systems are open to U.S. companies. After opening the system to economic operators in general, the packaging directive (94/62) clearly says that these systems “shall also apply to imported products under non-discriminatory conditions, including the detailed arrangements and any tariff imposed for access to the systems, and shall be designed so as to avoid barriers to trade or distortions of competition in conformity with the Treaty.”

2. Labeling of recycling marks: It is not yet harmonized. The “green dot” trademark is either in use or will be introduced as a financing mark for the recovery and recycling of packaging, not only in Germany, but also in France, Austria, Belgium, Luxembourg, Spain, and Portugal. This idea was developed by Pro Europe, a joint organization founded by the European collective scheme.

3. The Regulation Review Process (1996): This regulation establishes marketing requirements, indicating recyclability and/or reusability for packaging. Particularly, Article 4 prohibits the application of “symbols” other than those set up in the Directive to indicate recyclable or reusable packaging. This will require some U.S. firms to create new molds solely for use in the European market.

For further information, please consult the U.S. Mission to the EU CCG at <http://www.useu.be>.

The Battery directive is pending legislation by the Commission; the other two proposals were adopted in 2000. For further information, please consult the U.S. Mission to the EU CCG at <http://www.useu.be>.

Eco-labels

The Commission of the EU has published the first ecological criteria for the award of the eco-label for washing machines, dishwashers, paper towels, toilet paper and soil improving products, as well as other materials designed to help applicants, kitchen rolls, single-ended light bulbs, paints and varnishes. The eco-label scheme, which is voluntary, will apply to all products except food, drink and pharmaceuticals. Council regulation 880/92 on a community eco-label award scheme provides for the establishment of ecological criteria for specific product groups to enable verification of the reduced environmental impact of qualifying products, based on analysis of the life cycle for the product, from manufacturing (including choice of raw materials) through distribution, consumption, and use, to disposal after use. The regulations require member states to designate competent bodies to assess applications for the eco-label based on these criteria. Manufacturers or importers in the community may apply for an eco-label only to the competent body or bodies designated by the member state in which the product is manufactured or first marketed, or into which the product is imported from outside the EU.

While currently voluntary, eco-labels may prove to be important marketing tools to consumers, as well as a requirement demanded by EU importers and end-users of American products.

The CE Mark in the European Union

The CE (Conformite European) mark is a European proof of conformity with the essential health, safety, and environmental requirements of the harmonized EU product safety directives. The CE Mark indicates that the manufacturer has satisfied all the assessment procedures specified by law for its products. The CE Mark is not a quality mark and only signifies to surveillance authorities that the product is in compliance with EU legislation. It is the accompanying declaration of conformity, which provides the details of the directive(s), to which the product complies and the standards that were relied upon in assuring compliance. The EU directives deal with large families of products or horizontal risks such as those addressed in the Electromagnetic Compatibility Directive. The following directives (with reference between brackets) have been adopted and are now enforced:

Low Voltage (73/23/EEC)
Simple Pressure Vessels (87/404/EEC)
Safety of Toys (88/378/EEC)
Construction Products (89/106/EEC)
Electromagnetic Compatibility (89/336/EEC)
Machine Safety (98/37/EEC)
Personal Protection Equipment (89/686/EEC)
Non-automatic Weighing machines (90/384/EEC)
Active Implantable Medical Devices (90/385/EEC)
Gas Appliances (90/396/EEC)
Telecommunications Terminal Equipment (98/13/EEC)
New Hot-water Boilers (92/42/EEC)
Explosives for Civil Uses (93/15/EEC)
Medical Devices (93/42/EEC)
Equipment for Explosive Atmospheres (94/9/EEC)
Recreational Craft (94/25/EEC)
In vitro Diagnostic Devices (98/79/EC)
Lifts (95/16/EC)
Refrigeration Appliances (96/57/EC)
Pressure Equipment (97/23/EC)
Radio and Telecommunications Terminal Equipment (99/5/EC)

Most of the directives above are amended by Directive 93/68/EEC entitled "Rules for the Affixing and Use of the CE Conformity Marking."

For an explanation of the European Union and its governing European Directives (laws) please reference *Section II Economic Trends and Outlook*, and the U.S. Mission to the EU CCG at <http://www.useu.be>.

Contact information

For more information on Belgian and EU-wide packaging and labeling laws, and standards, please contact:

In the United States:

Office of European Union and Regional Affairs

U.S. Dept. of Commerce
Contact: Bob Straetz
Tel: (202) 482-4104
Fax: (202) 482-2897

National Institute of Standards and Certification
Contacts: JoAnne Overman
Tel: (301) 975-4037
Fax: (301) 926-1559

U.S. Trade Representative for Europe and the Mediterranean
USTR
Contact: Kathy Novelli
Tel: (202) 395-3320
Fax: (202) 395-3974

Director, Technical Trade Barriers
USTR
Contact: Suzanne Troje
Tel: (202) 395-3063
Fax: (202) 395-5674

Office of EU and Regional Affairs,
of the International Trade Administration
U.S. Dept. of Commerce
Contact: Kerry O'Conner
Tel: (202) 482-6008
Fax: (202) 482-2897

In Belgium:

U.S. Commercial Service
U.S. Embassy
Contact:
George Knowles, SCO
Angela Dawkins, Commercial Attaché
Tel: (322) 508-2425
Fax: (322) 512-6653

U.S. Commercial Service
U.S. Mission to the European Union
Contacts:
Charles Ford, SCO
Sylvia Mohr, Standards, CE marks
Steve Alley, Commercial Attaché
Tel: (322) 508-2674 or 2755
Fax: (322) 513-1228

Belgian Standards Institute
Avenue de la Brabançonne, 29
1000 Brussels

Contact: Mr. Voorhos, Director
Tel: +32/2 734-9205
Fax: +32/2 733-4264

Additional information is available electronically. The following is a list of useful Web sites:

European Union server home page: <http://europa.eu.int>

New Approach Directives reference to harmonized standards:
<http://europa.eu.int/comm/enterprise/newapproach/standardization/harmstds/index.html>

American National Standards Institute home page: <http://www.ansi.org>

American Embassy Belgium website: <http://www.buyusa.be>

Free Trade Zones/Warehouses

While Belgium has no free trade zones, it does have bonded warehouses located near the main port of Antwerp and the national airport north of Brussels. In addition, with the authorization of the customs authorities, a U.S. firm may create a private bonded warehouse and thereby delay and even avoid payment of customs duties (in the case of re-exports outside the EU). Private bonded warehouses can be established anywhere in Belgium, not just around the harbors or airports. These warehouses can be part of a company's manufacturing or distribution site. Goods may remain in such warehouses for up to one year, with duties and VAT payable only upon sale within Belgium or in cases of re-export to other countries within the EU. A bank guarantee and certain reporting requirements are necessary to operate such a facility, and there are other stipulations governing such a warehouse.

Special Import Provisions

In 1995, following intensive lobbying from the major plastics, packaging and distribution companies, as well as from trade unions and some consumer groups, the government backed down from applying further eco-tax legislation. The proposed legislation could have had a powerful impact on production and distribution costs and labor levels. The only eco-taxes currently in force apply to disposable cameras, batteries, and industrial packaging. Ecotaxes on pesticides and pesticides packaging have been withdrawn. The Belgian federal government is currently negotiating with the three regions and trade federations to further revise the ecotax legislation, which will be regionalized as of January 2002. Industry is heavily opposing the government's proposed new ecotax legislation on beverage packaging to take effect as of January 2002.

FOST PLUS

In 1995, fifty-three companies created FOST PLUS, a non-profit organization designed to address the problem of reducing all forms of packaging waste. FOST PLUS is a not-for-profit organization with 700 members from the distribution and manufacturing sectors. It is tasked with coordinating the selective collection and sorting of domestic packaging waste in the three regions of Belgium. The aim is to extract value from the waste by recycling it, make use of it to produce other materials or dispose of it in various energy recovery methods. Its purpose is to assist in the enforcement of EU Directive

94/62 on recycling packaging, which provides its members a means for avoiding ecotaxes.

FOST PLUS gives companies the option to recycle packaging themselves or adhere to FOST PLUS as a substitute. In the case of beverage containers, the alternative for non-recycling is an ecotax of BEF 15 (35 cents per bottle or can). As a result, all Belgian beverage manufacturers now adhere to FOST PLUS, which recycles 85 percent of all domestic packaging waste, the world's best record. In addition to FOST PLUS, another organization has been created for the purpose of industrial waste reclamation. VAL-I-PAC was established in early 1998, and like FOST PLUS, it is responsible for the collection and valorization of industrial packaging waste.

FOST Plus

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Fax: +32/2 771-16-96

Email: fostplus@fostplus.be

Website: <http://www.fostplus.be>

VAL-I-PAC

Koningin Astridlaan 59, Box 11

B-1780 Wemmel

Contact: Mr. Johan Sneyers, Director

Tel: +32/2 456-83-11

Fax: +32/2 456-83-20

Email: info@valipac.be

Website: <http://www.valipac.be>

Membership in Free Trade Arrangements

Incorporated into the charter of the European Union is a law modeled on its U.S. counterpart. Basically, any specific legislation not ratified by the EU will be left to the member countries to implement as they see fit. While recent EU legislation does not conflict with what is being brought into law in Belgium, it is important to be aware of impending EU regulations as they may override local Belgian laws.

INTRODUCTION

Belgium has a number of location-related factors that have been at the basis of its attractiveness for foreign investors. The country has enjoyed competitive advantages such as excellent transport infrastructure, geographic position as the center of the European Union, high-quality industrial sites, and a skilled and productive workforce. Belgium is not only the political center of Europe, but the commercial center as well. It is home to some 1,300 U.S. companies. Brussels lies within a 600-kilometer radius of 70 percent of the European Union; Belgium therefore provides an excellent base for reaching the increasingly integrated European market.

OPENNESS TO FOREIGN INVESTMENT

Belgium has traditionally maintained an open economy, highly dependent on imports and international trade for its well-being. Since WWII, foreign investment has played a vital part in the Belgian economy, providing technology and employment. Both the federal and the regional governments encourage foreign investment on a national treatment basis. Foreign corporations in Belgium account for about one-third of the top 3,000 corporations. According to the The Economist Intelligence Unit, Belgium is one of the most favored European locations for inward foreign investments: "In 1999, the Stock of FDI in the Belgium-Luxembourg Economic Union (BLEU) amounted to \$158.6 billion. This was almost exactly the same level as France, and accounted for 11 percent of the EU total and more than 70 percent of Belgian GDP, making the country comfortably the most successful host of FDI in the EU, relative to the size of its economy."

TAKEOVER LEGISLATION

Belgium, like the U.S., has a takeover law which requires all owners of five percent or more of a corporation's total voting stock to notify both the Ministry of Economic Affairs and the Banking and Finance Commission (Belgium's equivalent of the U.S. Securities and Exchange Commission). For each additional ownership increment of five percentage points, further disclosures are required. In exchange for this enhanced protection against corporate raiders (who can no longer operate anonymously), all companies listed on the Brussels Stock Exchange are required to provide detailed information on their corporate ownership structure to the Banking and Finance Commission. In a takeover bid or public offer, the bidder must file with the Banking and Finance Commission a statement revealing its own financial credentials in combination with the details of the deal. Under EU law, very large mergers (\$3 billion or more in combined turnover) must be approved by the EU Commission (formerly DG-IV, the Directorate General for Competition Policy). Belgian corporate legislation was changed in 1990 to prevent golden parachutes as well as poison pills and other techniques used to block corporate raiders.

This year, the Federal government introduced legislation regarding "corporate governance." This legislation aims to provide some autonomy to corporate boards of companies whose controlling shareholder is itself taken over by a foreign firm which is a competitor. In the June 1998 case of the hostile takeover bid by ABN AMRO bank of the Belgian Generale de Banque, the Commission for Banking and Finance was characterized by the Belgian Financial Press as not being impartial, with principles of corporate governance having been set aside in favor of certain controlling shareholders. Likewise, the 1999 takeover of the Belgian energy group Tractebel by the French Suez group was seen as another reason for introducing legislation on corporate governance.

SCREENING

Belgium has no foreign investment screening mechanism, although as majority shareholder, the government controls investment in public-sector firms. In early 2000, however, the European Commission urged the Belgian government to do away with the "golden share principle" in the public utility gas company Distrigas. The Belgian government could thereby prevent a foreign takeover of Distrigas by any group it did not like through controlling one share that decided on majority ownership. Other investment restrictions that do exist, such as the law requiring local approval for large-scale retail outlets, do not discriminate between Belgian and non-Belgian firms. However, several

American franchise companies have been frustrated in their investment plans in Belgium because of this law.

NATIONAL TREATMENT

Belgium generally provides impartial treatment to foreign investors. However, the establishment of an insurance company or travel agency is subject to reciprocity. A few sectors require majority Belgian (or EU) ownership: aviation, inland shipping, and the ownership of Belgian-registered ships. Public works (when at least 25 percent of the cost is paid by Belgian public authorities) are restricted to Belgian and EU firms. Private or public monopolies exist in the following sectors: postal services, the national railways, airport operation and local public transport.

PRIVATIZATION

In 1998, the federal government raised approximately \$1.4 billion from the sale of public sector assets, against \$1 billion in 1997. There were no further privatizations in 1999 and 2000, but this year the government intends to sell its remaining shares of the former national airline carrier Sabena, and is planning a further privatization of Belgacom, the former telecom monopolist. Both in the preparatory and in the final stages of privatization operations, foreign investors have been allowed to participate. In the telecommunications sector, however, other licensed operators complain about interconnect rates that favor the former government-owned monopoly and lack of independence of the regulator.

CONVERSION AND TRANSFER POLICIES

Payments and transfers within the Belgian-Luxembourg Economic Union (BLEU) and with foreign countries require no prior authorization. Transactions may be executed in Belgian or Luxembourg francs as well as in other currencies.

The Belgian franc is fully convertible, with no restrictions on either inward or outward current and capital account transactions. On May 1 1998, Belgium became one of the 11 EU member states that agreed to form a de facto currency union (European Monetary Union) with a single currency, the Euro. On January 1, 1999, exchange rates were irrevocably fixed among Euro zone currencies, with 1 Euro equal to BEF 40.3399. Gradually, all transactions will be transformed into Euro-denominated operations, a process that will be completed by January 1, 2002. Euro coins and bank notes will be introduced in early 2002. The Belgian government will seek to limit the period during which both Euros and Belgian francs will be in circulation jointly to a maximum of 2 months.

Belgium has no debt-to-equity requirements. Dividends may be remitted freely, except in cases in which distribution would reduce net assets to less than paid-up capital. No further withholding tax or other tax is due on repatriation of the original investment or on the profits of a branch, either during its operations or upon the closing thereof.

EXPROPRIATION AND COMPENSATION

There are no outstanding expropriation or nationalization cases in Belgium with U.S. investors. There is no pattern of discrimination against foreign investment in Belgium.

When the Belgian government does use its eminent domain powers to compulsorily acquire property for a public purpose, adequate compensation is paid to the property owners. Recourse to the courts is available if necessary. The only expropriations that occurred during the last decade were related to infrastructure projects such as port expansion, roads, and railroads. In the future, expropriations to make place for nuclear waste storage are also expected, but the sites will not be near areas of existing economic activity.

DISPUTE SETTLEMENT

Belgium's legal system is independent of the government and is an effective means for resolving commercial disputes or protecting property rights. As in many countries, the Belgian courts labor under a growing caseload. Backlogs in the Belgian court system seem to make delays almost inevitable. There are several levels of appeal.

Bankruptcy in Belgium is covered by an 1851 law and is under the supervision of the commercial courts. Bankruptcy applies only to businesses and may be initiated by a creditor or the company. The commercial court appoints both a judge-auditor to preside over the bankruptcy proceeding and a receiver responsible for realizing the available assets to pay creditors. Belgian bankruptcy law recognizes several classes of preferred or secured creditors. Judgments in commercial cases, including bankruptcy cases, are generally made in Belgian currency. Belgium has a system under which firms in difficulty can restructure their debts through agreement with their creditors. This system is in some respects similar to Chapter 11 in the U.S.

The government accepts binding international arbitration of disputes between foreign investors and the state; the most recent example being the international arbitration between the Belgian government and Sonatrach, the Algerian gas company.

Belgium is a member of the International Center for the Settlement of Investment Disputes (ICSID) and regularly includes provision for ICSID arbitration in investment agreements.

PERFORMANCE REQUIREMENTS AND INCENTIVES

Since the law of August 1980 on regional devolution in Belgium, investment incentives are the responsibility of Belgium's three regions: Brussels, Flanders, and Wallonia. Most tax measures are designed to attract new investment, but remain under the control of the federal government, as well as the parameters (social security, wage agreements) which govern salaries. In general, all regional and national incentives are available to foreign and domestic investors alike. Belgian investment incentive programs at all levels of government are limited by EU regulations and thus are kept in line with those of the other EU member states. The European Commission has tended to discourage investment incentives, in the belief that they distort the single market, impair structural change, and threaten EU convergence, and social and economic cohesion. Belgium has historically been ranked near the top of the EU industrial subsidies, including investment incentives.

In their investment policies, the regions have put new emphasis on meeting general objectives such as promoting innovation, research and development, energy saving,

environmental cleanliness, exports, and most of all, employment. In order to provide coordinated service to foreign investors, the Belgian government established a Federal Agency for Foreign Investors (FAFI), in 1996, at the Ministry of Economic Affairs. This agency is very controversial with the regions, however, who have been given full power in the Belgian constitution to promote their regions to foreign investors with their own investment agencies - Flanders Foreign Investment Office (FFIO) and the Office for Foreign Investment (OFI) in Wallonia. In addition, the Finance Ministry has established a foreign investment tax unit to provide assistance to foreign investors in dealing with Belgian tax laws and to make the tax administration more "user friendly" to foreign investors.

Performance requirements in Belgium usually relate to the number of jobs created. There are no known cases where export targets or local purchase requirements were imposed. The government may reclaim incentives if the investor fails to meet his employment commitments. Enforcement, however, is rare. In one case, the Flemish Administration sued an American firm to recover incentives after the firm was forced by environmental regulations to close its plant.

Notwithstanding the devolution of investment subsidies to the three regions, the federal government still controls tax policy, including special tax deductions for certain types of investment: new venture capital companies, coordination, distribution, and service centers.

COORDINATION CENTERS

Coordination centers serve companies of an international group and can perform various financial and other services such as financing, leasing, netting, re-invoicing and factoring, as well as administrative and support services. A center consists of affiliated companies maintaining at least a 20 percent direct or indirect participation in one or more other companies under common agreement. Coordination centers are granted special tax status for a period of 10 years. They can be established as branches of foreign companies or as Belgian stockholding companies and can be located anywhere in Belgium. During the 10-year period, recognized coordination centers are taxed on national income calculated as between 8 and 12 percent of a center's incurred expenses. Salary costs and financing expenses are disregarded when determining the amount of expenses to which the percentage is applied.

Coordination centers are also exempt from real estate taxes, withholding taxes on dividends, interest, and registration taxes. Foreign employees of a recognized coordination center do not need a work permit or professional card in Belgium. There is one employment condition, however: the center should employ, in Belgium, at least 10 employees within 2 years from the beginning of its activities. There are almost 400 recognized coordination centers in Belgium, many of them American-owned. However, Belgian centers figure prominently on the EU's so-called Primarolo list, which features harmful tax competition practices among member states. The current Belgian government is under considerable pressure from the European Commission to abolish the coordination center legislation by 2010.

EU DEVELOPMENT ZONES

EU development zones are business development zones defined by the EU under the European Regional Development Fund where regions can proceed more substantial business incentive grants. Significant cash grants up to about 21 percent of the total approved investment for medium and large companies can be made available. In addition, companies located in EU development zones can also benefit from certain tax exemptions and benefits.

ECOLOGICAL SUBSIDIES

An ecological subsidy is an alternative to a cash grant. It cannot be combined with other cash grants and is available to companies investing in improvements to their facilities over and above the requirements imposed by environmental law. The ecological subsidy helps to cover the company's additional expense on improvements. It does not require a location in an EU development zone.

DISTRIBUTION CENTERS

Belgian tax authorities have also established a special tax regime applicable to Belgian distribution centers of foreign multinational enterprises that meet certain conditions. Recognized Belgian distribution centers pay taxes on a fixed percentage (five percent) of their operating costs. The newly established distribution center may operate as a branch of a foreign company or a Belgian subsidiary. No specific rules apply to minimum employment or turnover, in contrast to rules for coordination centers. Qualifying distribution centers can realize significant tax savings.

SERVICE CENTERS

New tax incentives, similar to those for distribution centers, were approved for service centers by the Belgian parliament in July 1996. The Belgian government issued a tax circular designed to extend the scope of the existing incentives to intra-group service centers, including call centers, which are perceived as a major source of recent foreign investment. To qualify for the advantages of the new service center status, a number of conditions under the "corporate structure," the "intra-group condition," and the "authorized activities" must be met. Qualifying service centers must be established as Belgian resident companies. The definition of service centers only includes intra-group service centers. Interested parties will be able to obtain a tax ruling on transfer pricing for a five-year renewable period before the establishment of the service center. With respect to authorized activities, the center must be a purely operational, non-decision making entity. Its role must be that of a mere "interface" between customers of the company and the companies of the group, or between companies of the group themselves. Any operation which, by nature, would tend to increase the turnover of companies in the group is automatically excluded.

GENERAL TAX MEASURES

A company may deduct from its taxable income a certain percentage of the amounts invested in new fixed assets used for business purposes in Belgium. The investment deductions only exist for R&D or energy-saving investments made by small and medium-sized enterprises. The percentage varies between 3 and 3.5 percent of all investments made. Furthermore, all companies are granted tax relief of \$9,000 for each additional person employed in Belgium in scientific research, the development of

technological potential, responsible for exports or for quality management. The Belgian Employers' Federation and the American Chamber of Commerce have cited the level of taxation as a major concern to business. The AmCham has proposed reducing the corporate rate of income tax to 35 percent, a limit on the personal marginal tax rate of 50 percent, and the abolition of a 3 percent crisis tax. In June 2000, the federal government pledged to abolish the crisis tax within two years. Recently, it also pledged to reduce corporate tax rates to 35 percent.

EMPLOYMENT AND TRAINING INCENTIVES

The Belgian government has implemented two initiatives to reduce social security contributions for employers. First, an employment plan includes a reduction in social security contributions (75 percent in the first year, 50 percent in the second) for all employers who were unemployed for the last 12 months. This results in a reduction of the total annual payroll costs by 19 percent in the first year and 13 percent in the second. However, the plan cannot be combined with any other social security incentives and is valid for a maximum of two years.

NON-TARIFF BARRIERS

In Belgium, there are significant delays in providing market authorization and approval of pricing and reimbursement for new pharmaceutical products. The Belgian government in 2000 formally pledged to put into place a new legislation which will conform Belgian practice to relevant EU directives and firms in this sector are pleased by the progress so far. U.S. companies are disproportionately affected by the procedural delays since they are among the most active in developing and bringing to market innovative new products. Pharmaceuticals in Belgium are also under strict price controls. There is a price freeze on reimbursable products and a required price reduction on drugs on the market for fifteen years. A six percent turnover tax is charged on all sales of pharmaceutical products. The Belgian government intends to decrease this turnover tax to three percent in 2002 and to abolish it by the beginning of 2003.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

Both domestic and foreign private entities have the right to establish business enterprises. This right is well established in Belgium's constitution and in law. The right to acquire or sell interests in business enterprises is similarly protected by law.

No restrictions in Belgium apply specifically to foreign investors. Foreign interests may enter into joint ventures and partnerships on the same basis as domestic parties, except for certain professions such as doctors, lawyers, accountants and architects. All investors, Belgian or foreign, must obtain special permission to open department stores, provide transportation services, produce and sell certain food items, cut and polish diamonds, or sell firearms and ammunition.

There is competitive equality between public and private enterprises with respect to market access, credit and other business operations such as licenses and supplies.

Protection of Property Rights:

Property rights in Belgium are well protected by law. The courts are independent and effective in enforcing property rights. Belgium generally meets very high standards in

the protection of intellectual property rights. Rights granted under American patent, trademark, or copyright law can be enforced in the United States, its territories and possessions only. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Patents:

Belgium is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). Under Belgian law, national authorities automatically grant a patent for a period of six years upon application. Applicants desiring protection for twenty years must request a novelty and non-obviousness search together with their application, and the Belgian Patent Office cannot refuse to issue a patent. A single EU patent does not yet exist since the community patent convention has not yet come into force. In the meantime, the patent applicant can choose between a national and a multiple-country patent. In the latter case, a single application to the European Patent Office in Munich is required for obtaining patents valid in a number of countries within the EU, as well as Liechtenstein, Monaco and Switzerland. A patent thus granted will not be valid in Belgium unless a copy of the grant in one of Belgium's three official languages is filed with the Belgian Office of Industrial Property described below.

Trademarks:

An EU Trademark Office has been established in Alicante, Spain. Applications for EU trademarks should be directed to this office. Trademarks in Belgium are regulated by the Uniform Benelux Law of 1962, which offers protection in Belgium, the Netherlands and Luxembourg. An application for a trademark can be filed either with the Belgian National Office in the Ministry of Economic Affairs or with the Benelux Trademark Bureau located in the Netherlands (Bankastraal 51, The Hague). A search is required to ascertain the existence of a similar trademark for the same category of product. If granted, protection lasts for ten years from the date of application and can be renewed for further periods of ten years. Trademarks must generally be used within three years of registration.

Trademark Exhaustion:

An EU directive regarding trademarks applies the principle of community exhaustion, under which parallel imports into the European Community are prohibited without the approval of the trademark holder or his authorized distributor. Belgium and its Benelux partners previously applied the principle of universal exhaustion under which parallel imports were allowed. A few cases have reached the Belgian commercial courts, which have returned divergent opinions as to whether Community exhaustion has replaced universal exhaustion in Belgium.

Copyrights:

Belgium is a member of the Bern Convention and the Universal Copyright Convention of Geneva (UCC). As a member of the UCC, to which the United States and 50 other countries belong, Belgium accords automatic copyright protection to works produced in other UCC countries. Protection exists for the life of the author, plus 70 years after death. In addition, Belgium has passed a revised copyright law in 1994 that brings Belgian practice into conformity with existing EU directives. EU directives, however, permit some variation among member states, and U.S. firms wishing to protect their copyrights in Belgium should consult local legal counsel. Neither the U.S. nor Belgium

are parties to the Rome Convention. National treatment of foreign rightholders is a basic principle, defined in the 1994 Belgian copyright law. However, if Belgian rightholders benefit from less generous protection in a foreign country, the principle of reciprocity applies to the citizens of that country. This is the case for the U.S., which does not grant protection of neighboring rights to Belgian artists or performers, nor to Belgian producers of records and movies. As a consequence, U.S. citizens in Belgium are subject to the same restrictions. According to the Business Software Alliance (BSA), about 32 percent of all software circulating in Belgium is used in violation of copyright laws, which is about average for the EU.

Designs:

Applications for the registration of a design are filed with the Benelux Office for Designs and Models or with the Ministry of Economic Affairs. The inherent validity of the design or model is not examined. This will only be decided by a court in the event of a dispute. Protection is granted for five years and is renewable twice.

TRIPS:

Belgium has fully implemented the WTO (World Trade Organization) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

TRANSPARENCY OF THE REGULATORY SYSTEM

The Belgian Government has adopted a generally transparent policy and effective laws to foster competition. Tax, labor, health, safety, and other laws and policies to avoid distortions or impediments to the efficient mobilization and allocation of investment exist comparable to those in other European Union member states. Nevertheless, foreign and domestic investors in some sectors face stringent regulations designed to protect small and medium-sized enterprises. Many companies in Belgium also try to limit their number of employees to 49 -- the threshold above which a number of employee committees such as one for safety, and another one regarding trade union interests, have to be set up.

Furthermore, the Federal Government, recognizing there was a need to streamline administrative procedures in many areas, in 1998 set up a special task force to simplify official procedures. It also agreed to reorganize the numerous new laws regarding the telecommunications sector into one comprehensive volume after new entrants in this sector had complained about a lack of transparency. The Belgian Employers' Federation estimates the extra costs related to the latter at \$110 million per year. The American Chamber of Commerce has called attention to the adverse impact of cumbersome procedures and unnecessary red tape on foreign investors, although Foreign companies do not necessarily suffer more from this than Belgian firms.

EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

Belgium has in place policies to facilitate the free flow of financial resources. Credit is allocated at market rates and is sufficiently available to foreign and domestic investors without discrimination. Belgium is fully served by the international banking community and is implementing all relevant EU financial directives.

Because the Belgian economy is directed toward international trade, more than half of its banking activities involve foreign countries. Belgium's major banks are represented in

the financial and commercial centers of dozens of countries by subsidiaries, branch offices and representative offices. There are 75 banks in Belgium, including 12 branches of foreign banks. Belgium is one of the most heavily banked countries in the world. Mergers and acquisitions have been a prominent feature in the Belgian banking sector throughout the nineties. Belgium's three largest banks have combined assets of \$398 billion. The total assets of the banking system are approximately \$594 billion. The banking system is considered sound. The country's banks use modern, automated systems for domestic and international transactions. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) has its headquarters in Brussels. Euroclear, a clearing entity for transactions in stocks and other securities, is also located in Brussels.

Belgium also has a well-established stock market. In fact, the first stock market ever was organized in Antwerp in the 14th century. By the end of 2000, the Brussels stock market merged with the Paris and Amsterdam bourses into Euronext, a pan-European stock trading platform. A company may increase its capital either by capitalizing reserves or by issuing new shares. An increase in capital requires a legal registration procedure. New shares may be offered either to the public or to existing shareholders. Public notice is not required if the offer is to existing shareholders, who may subscribe to the new shares directly. An issue of bonds to the public is subject to the same requirements as those for a public issue of shares. The company's capital must be entirely paid up, and existing shareholders must be given preferential subscription rights.

Belgium was also home to the European Association of Securities Dealers Automated Quotation Exchange (EASDAQ), opened in 1996. Patterned after the American NASDAQ electronic exchange, EASDAQ is designed as a market for young, dynamic, fast growing European companies with international ambitions. In April 2001, NASDAQ took a majority share in EASDAQ, which was subsequently rebaptized into NASDAQ Europe.

In Belgium, there are many cases of cross-shareholding and stable shareholder arrangements, but never with the intent to keep out foreign investors. Likewise, anti-takeover defenses are designed to protect against all potential hostile takeovers and not primarily foreign hostile takeovers.

CORRUPTION

On March 23, 1999, new anti-bribery legislation came into force in Belgium. The new law represents a complete revision of Belgian criminal law in the field of corruption, also extending the competence of Belgian courts to extraterritorial bribery. Henceforth, bribing international officials is a criminal offense in Belgium, even if done abroad.

There is changing information regarding the subject of Nationality Jurisdiction Principles. Some countries, which include Belgium, while asserting nationality jurisdiction, make it contingent upon the principles of dual criminality or reciprocity, thus requiring that the laws of the country whose official is bribed or a third country where the bribe is paid also prohibits bribery of foreign officials. According to "Addressing the Challenges of International Bribery and Fair Competition, 2000" and under chapter 2: Review of National Implementing Legislation, under article 3 of the Criminal Code, jurisdiction is established over offenses committed with Belgian territory by Belgian or foreign nationals. Act 99/808 added Article 10 quarter to the Code of Criminal Procedure. This

provides for jurisdiction in certain cases over pensions (foreign as well as Belgian nationals) who commit bribery offenses outside the territory of Belgium. Various limitations apply, however. For example, if the bribe recipient exercises a public function in an EU member state, Belgian prosecution may not proceed without the formal consent of the other state. The website

http://www.mac.doc.gov/tcc/bribery/oecd_report_2000/index provides further limitation examples and more information.

In the law, the definition of corruption is extended considerably. In the future, it will count as passive bribery if a government official or employer requests or accepts a benefit for himself or somebody else in exchange for behaving in a certain way. Active bribery is defined as the proposal of a promise or benefit in exchange for behaving in a certain way. In the past, anti-corruption law did not cover attempts at passive bribery. The most controversial innovation is the introduction of the concept of 'private corruption', i.e. corruption among private individuals. Corruption by public officials carries heavy fines and/or imprisonment between 5 and 10 years. Private individuals face similar fines and slightly shorter prison terms (between six months and 2 years). The new law not only holds individuals accountable, but also the company they are working for. Contrary to earlier legislation, payment of bribes to secure or maintain public procurement or administrative authorization through bribery in foreign countries is no longer tax deductible. Recent court cases in Belgium suggest that corruption is most serious in government procurement, defense contracting, and public works contracting. American companies have not, however, identified corruption as a barrier to investment.

The responsibility for enforcing corruption laws is shared by the Ministry of Justice through investigating magistrates of the courts and the Ministry of the Interior through the Gendarmerie, which has jurisdiction in all criminal cases. A special unit, the Central Service for Combating Corruption, has been created for enforcement purposes, but still lacks the necessary staff.

In a recent corruption case, eight persons were convicted, including a former Defense Minister. The court found that the Minister's immediate staff had ordered surveys and research projects from a research institute. The institute refunded part of its fees to the Minister's staff, which used the money to pay the salaries of certain ministerial aides and for campaign funds. The former Minister was given a suspended two-year prison sentence, a \$4,000 fine, and a five-year suspension of his civil and political rights.

The Court of Cassation (Belgium's highest court) has conducted an investigation into corruption cases regarding the 1988 Agusta helicopter contract and contracts won by the French Dassault enterprise in 1988 for the update of Mirage fighters and for supplying electronic counter measures (ECM) equipment for Belgium's F-16 fighters. The investigation resulted in the conviction of ten high-ranking Belgian officials, the highest one being the former Secretary General of NATO.

Criminality continues to be on the rise in Belgium: in 1999 (the last year for which official statistics are available), 42,359 burglaries were reported, as well as 39,898 car thefts, 18,796 shoplifting cases (up 5 percent), 53,804 muggings and 803 hold-ups (down 1.6 percent). Although most of the above-mentioned crimes were non-violent, this trend has been a serious cause of concern to the Belgian authorities. The most worrisome trend is that of carjackings: 1,333 cases, or a 30 percent increase over the previous year. Many

American companies are factoring in the crime rate in their assessments to invest in Belgium.

BILATERAL INVESTMENT AGREEMENTS

Belgium has bilateral investment treaties in force with Tunisia, Morocco, Indonesia, the Republic of Korea, Congo, Egypt, Romania, Singapore, Malaysia, Cameroon, Bangladesh, Sri Lanka, Rwanda, China, Hungary, Turkey, Malta, Poland, Bulgaria, Russia, Burundi, the Czech republic, the Slovak Republic, Argentina, Vietnam, Cyprus, Uruguay, Chili, and Latvia. Additionally, Belgium and Luxembourg have jointly signed (as the BLEU) as-yet-unimplemented agreements with Cuba, Bulgaria, Liberia, Mauritania, and Thailand. Belgium and Luxembourg also have joint investment treaties with Poland and Russia, but these are not BLEU agreements. All these agreements provide for mutual protection of investments.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

Belgium, as a developed country, does not qualify for OPIC programs. Apparently no investment insurance programs for Belgium are operated by other countries.

LABOR

The Belgian labor force is well trained, highly motivated and very productive. Workers have an excellent command of foreign languages, particularly in Flanders and the Brussels region. There is a low unemployment rate among skilled workers, such as local managers. Employers may hire Belgian or EU nationals. Non-EU nationals must first apply for work permits. Minimum wages vary according to the age and responsibility level of the employee and are cost-of-living adjusted.

Belgian workers are highly unionized (63 percent of the work force), and usually enjoy good salaries and benefits. According to a recent study, Belgian wage and social contributions, together with those in Germany, are among the highest in Western Europe. In recent years the unemployment rate as measured according to the EU's definition has gone down slowly (in June 2001 it was 7 percent, one percent below the EU average). High wage levels and pockets of high unemployment coexist because most of Belgium's long-term unemployed are virtually unemployable without major retraining -- their overall educational level is significantly lower than that of the general population. As a consequence of the high wage costs, over the years, employers have tended to invest more in capital than in labor. At the same time, a shortage exists for workers with training in computer hardware and software, automation and marketing. The resulting bottlenecks cause wage pressures.

Belgium's comprehensive social security package is composed of five major elements: family allowance, unemployment insurance, retirement, medical benefits and a sick leave program which guarantees salary in event of illness. Currently, average employer payments to the social security system stand at 35 percent of salary, while employee contributions comprise 13 percent. In addition, many private companies offer supplemental programs for medical benefits and retirement.

Belgian labor unions, while maintaining a national superstructure, are, in effect, divided along linguistic lines. The two main confederations, the Confederation of Christian

Unions and the General Labor Federation of Belgium, maintain close relationships with the Christian Democratic and Socialist political parties, respectively. They exert a strong influence in the country -- politically and socially. A national bargaining process covers inter-professional agreements that the trade union confederations negotiate biennially with the government and the employers' associations. In addition to these negotiations, bargaining on wages and working conditions takes place in the various industrial sectors and at the plant level.

Foreign firms, which generally pay well, usually enjoy harmonious labor relations. Nonetheless, problems can occur, particularly in connection with the shutting down or restructuring of operations. Many strikes are one-day symbolic actions, but longer industrial actions have occurred.

Firing a Belgian employee can be very expensive. An employee may be dismissed immediately for cause, such as embezzlement or other illegal activity; but when a reduction in force occurs, the procedure is far more complicated. For white-collar workers, the minimum standard is three months' notice or severance pay, or a combination of the two, for each five-year period or fraction thereof the employee has worked for the company. In the case of blue-collar workers, the minimum is four weeks' notice or the wage equivalent. Belgium is a strict adherent to ILO labor conventions.

In those instances where the employer and employee cannot agree on the amount of severance pay or indemnity, the case is referred to the courts for a decision. To avoid these complications, some firms consider providing for a "trial period" (of up to one year) in any employer-employee contract.

Belgium was one of the first countries in the EU to harmonize its legislation with the EU Works Council Directive of December 1994. Its flexible approach to the consultation and information requirements specified in the directive is more advantageous to foreign companies than that of other EU member states.

FOREIGN TRADE ZONES/FREE PORTS

There are no foreign trade zones or free ports as such in Belgium. However, the country utilizes the concept of customs warehouse. A customs warehouse is a warehouse approved by the customs authorities, where imported goods may be stored without payment of customs duties and VAT. Only non-EU goods can be placed under a customs warehouse regime. In principle, non-EU goods of any kind may be admitted regardless of their nature, quantity, country of origin or destination.

Individuals and companies wishing to operate a customs warehouse must be established in the EU and obtain authorization from the customs authorities. Authorization may be obtained by filing a written request and by demonstrating an economic need for the warehouse.

FOREIGN DIRECT INVESTMENT STATISTICS

TABLE I

Belgian Direct Investment Position In the U.S. 1996 - 1999 (Millions of Dollars)

	1996	1997	1998	1999
PETROLEUM	NA	1,221	NA	NA

MANUFACTURING	2,067	3,529	4,232	4,068
WHOLESALE	356	840	1,018	1,096
RETAIL TRADE	730	837	935	735
BANKING	NA	NA	NA	NA
FINANCE	NA	NA	NA	2,108
INSURANCE	NA	1	NA	2
REAL ESTATE	58	56	51	49
SERVICES	13	-26	1,489	1,420
OTHER	561	468	NA	NA
TOTAL	3,979	6,438	9,577	10,968

SOURCE: United States Department of Commerce, Survey of Current Business, July 2000

TABLE II
U.S. DIRECT INVESTMENT POSITION IN BELGIUM
 1995 - 1998 (Millions of Dollars)

	1996	1997	1998	1999
PETROLEUM	224	237	152	109
MANUFACTURING	8,251	8,788	8,969	7,176
WHOLESALE	2,221	2,102	2,716	3,456
BANKING	280	252	321	365
FINANCE	4,814	4,066	5,262	3,728
SERVICES	1,329	1,364	1,684	2,593
OTHER	865	594	188	-142
TOTAL	17,984	17,403	18,920	17,285

SOURCE: United States Department of Commerce, Survey of Current Business, July 2000

TABLE III
FOREIGN DIRECT INVESTMENT IN THE BLEU
 1989-1998 (Billions of BEF)

Total foreign direct investments: 2,470 (68.1 billion U.S. dollars)

Total U.S. investments 1989-1998: 271 (7.5 billion U.S. dollars)

Principal sources of foreign investment in Belgium 1989-1998:

Netherlands: 21.9 percent
 Germany: 17.1 percent
 France: 16.0 percent
 U.S.: 11.0 percent

Source: National Bank of Belgium - Direct Investment Flows in the BLEU (Belgian-Luxembourg Economic Union) – 1998

CCG Customer Satisfaction Survey

U.S. Department of Commerce
International Trade Administration
The Commercial Service

The U.S. Department of Commerce would appreciate input from U.S. businesses that have used this CCG report in conducting export market research. Please review the privacy statement / disclaimers at the bottom of this Web site. Please take a few moments to complete the attached survey and fax it to 202/482-0973, mail it to QAS, Rm. 2002, U.S. Department of Commerce, Washington, D.C. 20230, or Email: Internet[Robert.Opfer@mail.doc.gov].

* * * About Our Service * * *

1. Country covered by report: _____

Industry/title: _____

Commerce domestic office that assisted you (if applicable):

2. How did you find out about the CCG service?

- ☐ Direct mail
- ☐ Recommended by another firm
- ☐ Recommended by Commerce staff
- ☐ Trade/state/private newsletter
- ☐ Department of Commerce newsletter
- ☐ Other (specify): _____

3. Please indicate the extent to which your objectives were satisfied:

- 1-Very satisfied
- 2-Satisfied
- 3-Neither satisfied nor dissatisfied
- 4-Dissatisfied
- 5-Very dissatisfied
- 6-Not applicable

- ☐ Overall objectives
- ☐ Accuracy of information
- ☐ Completeness of information
- ☐ Clarity of information
- ☐ Relevance of information
- ☐ Follow-up by Commerce representative

4. In your opinion, did using the CCG service facilitate any of the following?

- ☐ Decided to enter or increase presence in market
- ☐ Developed an export marketing plan
- ☐ Added to knowledge of country/industry

- ☐ Corroborated market data from other sources
☐ Decided to bypass or reduce presence in market
☐ Other (specify): _____

5. How likely would you be to use the CCG service again?

- ☐ Definitely would
☐ Probably would
☐ Unsure
☐ Probably would not
☐ Definitely would not

6. Comments:

* * * About Your Firm * * *

1. Number of employees: ☐ 1-99 ☐ 100-249 ☐ 250-499
☐ 500-999 ☐ 1,000+

2. Location (abbreviation of your state only): _____

3. Business activity (check one):

- ☐ Manufacturing
☐ Service
☐ Agent, broker, manufacturer's representative
☐ Export management or trading company
☐ Other (specify): _____

4. Value of export shipments over the past 12 months:

- ☐ Less than \$10K
☐ \$11K-\$100K
☐ \$101K-\$500K
☐ \$501K-\$999K
☐ \$1M-\$5M
☐ More than \$5M

May we call you about your experience with the CCG service?

Contact name: _____

Phone: _____

Fax number: _____

Email: _____

Thank you--we value your input!

This report is authorized by law (15 U.S.C. 1512 et seq., 15 U.S.C. 171 et seq.). While you are not required to respond, your cooperation is needed to make the results of this evaluation comprehensive, accurate, and timely. Public reporting burden for this collection of information is estimated to average ten minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and

maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Reports Clearance Officer, International Trade Administration, Rm. 4001, U.S. Dept. of Commerce, Washington, D.C. 20230, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0625-0217), Washington, D.C. 20503.

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BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES:

* Please see Appendix F for lists of more comprehensive market research reports that augment the following market overviews.

Data in the following tables is in US\$ millions and ranked by next year's expected growth rate for U.S. imports.

1.	Computer Software	
	2001 est. total market size	1,871
	2001 est. imports from the U.S.	788
2.	Computer Services	
	2001 est. total market size	2,132
	2001 est. sales by U.S.-owned firms	457
3.	Telecommunications Equipment	
	2001 est. total market size	2,266
	2001 est. imports from the U.S.	262
4.	Auto Parts and Service Equipment	
	2001 est. total market size	19,546
	2001 est. imports from the U.S.	1,166
5.	Environmental Technologies	
	2001 est. total market size	3,071
	2001 est. total imports from the U.S.	53
6.	Telecom Services	
	2001 est. total market size	5,799
	2001 est. sales by U.S.-owned firms	633
7.	Electric Power Systems & Services	
	2001 est. total market size	3,710
	2001 est. imports from the U.S.	93

8.	IT Hardware	
	2001 est. total market size	2,068
	2001 est. imports from the U.S.	729
9.	Plastic Materials and Resins	
	2001 est. total market size	3,075
	2001 est. imports from the U.S.	190
10.	Travel and Tourism	
	2001 est. total market size	1,862
	2001 est. total spending by Belgians	79
11.	Textile Fabrics	
	2001 est. total market size	2,217
	2001 est. imports from the U.S.	93
12.	Aircraft and Parts	
	2001 est. total market size	622
	2001 est. imports from the U.S.	283
N/A	Biotechnology	
	2001 est. total market size	N/A
	2001 est. total imports from the U.S.	N/A

Rank of Sector: 1
Name of Sector: Computer Software
ITA industry code: CSF

U.S. companies currently control an estimated 40 percent of the Belgian software market. Market growth in the sector for 2001 is estimated at 16.5 percent. Market growth may appear slightly slower for some American manufacturers because American companies already have such a large market share.

Many opportunities exist for U.S. companies in the Belgian software market, primarily for Windows-based programs, but increasingly in the UNIX and Linux-based environments. While companies are still implementing ERP projects, new projects including CRM, e-commerce, and call centers are being studied. The market for e-commerce application software such as Enterprise Performance Management (EPM), Financial Management, Human Resources Management (HRM), Customer Relationship Management (CRM) and Supply Chain Management (SCM) although currently quite small in Belgium, has been projected by some analysts to grow at an astonishing rate in the coming years. The segment security, which is increasingly connected to integration solutions and systems management solutions, is growing at a yearly rate of 22 percent.

Belgium has an extensive network of highly qualified packaged computer product distributors including broadliners such as Ingram Micro and Tech Data. Types of distributors range from those with large dealer networks to small, value-added resellers who focus on a specialized market. The majority of software originating in the U.S. is sold via this network, however, several American computer software companies have their own subsidiaries in Belgium and have established their own distribution network

throughout the country. Other utilized channels of distribution are specialized computer shops and mail-order houses.

Market Statistics	1999	2000	2001
Total Market Size	1,674	1,792	1,871
Total Local Production	686	713	748
Total Exports	368	374	393
Total Imports	1,356	1,443	1,515
Total Imports from U.S.	746	751	788
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 2
Name of Sector: Computer Services
ITA industry code: CSV

Real growth in the market for computer services is expected to remain relatively stable in 2001, with a continuing growth rate of 11.3 percent from 2000. The largest IT spenders in Belgium are the financial and other services sectors (43 percent), followed by the manufacturing, building, and transport industries (28 percent), and the public sector, health care, and education (16 percent). The share of the public sector is expected to grow as of 2001 and beyond, due to the implementation of e-government projects at all levels of Belgian government. IT departments will buy fewer computer systems, but are looking for global solutions.

There are more than 3,000 IT services companies active in the Belgian market, including 431 companies in consulting and 1,759 in software development. While most of these are small enterprises, 40 percent of the IT services market is controlled by medium and large companies. IBM Global Services, Siemens, Econocom, Systemat, EDS, and Hewlett-Packard are among the top players in the Belgian IT services market. According to a recent IDC analysis, the IT consultancy sector in Belgium in 2000 was worth \$359 million representing 60 percent of the total management consultancy market.

It is estimated that 44 percent of Belgians have access to the Internet, either at home or in the office. Approximately 730,000 Belgian surfers (36 percent) have already made an online purchase. The e-commerce market in Belgium in 2000 was worth \$487.8 million and is expected to grow to \$13.8 billion by 2004. This growth will come predominantly from SMEs. This business sector represents 73 percent of the country's total employment and 66 percent of its turnover. At the beginning of 2000, some 81 percent of small and 84 percent of mid-sized companies in Belgium were connected to the Internet. Furthermore, 22 percent of small companies and 28 percent of mid-sized

companies in Belgium are considering hiring the services of an Application Service Provider (ASP) in the next 18 months.

Market Statistics	1999	2000	2001
Total Market Size	2,084	2,126	2,132
Sales by Local Firms	1,209	1,212	1,215
Sales by Foreign-Owned Firms	854	893	896
Sales by U.S.-Owned Firms	478	455	457
Exchange Rate: BEF per \$	37.3	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source for Figures: EITO

Rank of Sector: 3
Name of Sector: Telecommunications Equipment
ITA industry code: TEL

Despite some negative reports, the Belgian Information and Communications sector recorded a real growth of 12.2 percent, totaling \$14,488 million in 2000. For 2001 growth is expected to be around 10.4 percent. Unsurprisingly, the bulk of this growth can be explained by an increase in sales of telecommunications equipment (up 73 percent), which was in turn fuelled by a surge of mobile and Internet connection sales.

The mobile telephone market was worth \$801 million in 2000 and is expected to increase by 24.7 percent in 2001. While reporting high annual growth rates, Belgium - with 6.3 million mobile users - still lags some 5 percent behind the European average of 66.8 percent in terms of mobile penetration.

By April 2001, the Belgian Internet Service Providers Association reported that there were approximately 1,114,000 active internet connections. Paying broadband connections (ADSL and cable) account for over 16 percent of this total. The two major providers of broadband connections, Belgacom (ADSL) and Telenet (cable) report over 400 new connections daily. With 53 percent, the growth of paying broadband connections outpaces that of free (analog) connections (10 percent).

All telecommunications operators in Belgium have put large quantities of fiber optic ducts in the ground totaling some 40,000 km. At the same time several operators have built large datacenters for co-location and for web-centric companies. These include Level3, WorldCom, Colt, Versatel, and KPN. Belgacom is finishing its datacenter based in Mechelen. Practically all of these centers are still waiting for customers.

The total e-commerce market in Belgium in 1999 was worth \$186 million and is expected to grow to \$13.8 billion by 2004. This growth will predominantly come from Internet-savvy small and medium sized enterprises (SMEs). This business sector represents 73 percent of the country's total employment and 66 percent of its turnover. According to Accenture, Belgian companies use more advanced e-commerce technologies and have more commitment to e-commerce than their European counterparts.

Market Statistics	1999	2000	2001
Total Market Size	1,961	2,164	2,266
Total Local Production	1,490	1,558	1,632
Total Exports	1,039	1,147	1,201
Total Imports	1,490	1,666	1,745
Total Imports from U.S.	238	250	262
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 4
Name of Sector: Automotive Parts and Service Equipment
ITA industry code: APS

There are 5.45 million motor vehicles registered in Belgium and 13,000 maintenance and repair outlets. Belgium has a very strong assembly industry (GM, Ford, VW, and Volvo) that assembles 1.2 million vehicles annually. Chrysler, Ford, and GM are all successful with the models they assemble in Europe. Both Ford and GM are making substantial investments to increase their production capacity. However, the market for "American" models is still lagging. Among Belgian owned cars, 60 percent are European, 30 percent are Japanese, 1.5 percent are American and 9.5 percent are either Korean, Russian, Polish, or Czech. More than 60 percent of all new cars sold are diesel.

Europeans in general, and Belgians in particular, tend to keep their cars longer than Americans. In Belgium, 54 percent of cars are over five years old. While American garage and test equipment has always been highly respected, American-made automobiles are now experiencing some resurgence in popularity. Best auto equipment subsectors include anti-theft devices, fast-rotating replacement parts, gadgets for in-car entertainment, car maintenance chemicals, hands-free telephone kits, and GPS. In the repair and service equipment market, the most promising items are air-conditioning, air-conditioning maintenance equipment, electric diagnostic equipment, emission testing equipment, and equipment for technical inspection stations.

Market Statistics	1999	2000	2001
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Total Market Size	15,451	16,525	19,546
Total Local Production	20,344	21,765	25,745
Total Exports	23,322	24,952	29,515
Total Imports	18,429	19,711	23,116
Total Imports from U.S.	921	986	1,166
Exchange Rate: BEF per \$	36.3	37.73	41
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001. The estimated 10% growth across the board is offset by the 10% decrease of the Euro exchange rate against the dollar.

Rank of Sector: 5
Name of Sector: Environmental Technologies
ITA industry code: POL

Belgium is one of the most densely populated and industrialized areas in the world. As a result, it faces numerous pollution and waste management problems. The three regional governments of Belgium, each responsible for environmental issues and implementation of European legislation in its area, have set up specific long-term environmental management plans, for waste (including soil remediation), water and air pollution. Increasing influence of the Green parties in political decisions is ensuring more attention to ecological issues and consumer protection in general. Growing consumer opposition to new incinerators and landfills together with political priorities shifting to pollution rather than remediation will force a reduction of wastes at the source. Belgium will strengthen implementation of the polluter-pays principle through ecotaxes and increase pollution taxes to finance environmental infrastructure.

Belgium will need to improve its record of implementing EU directives in certain areas. It is especially late in complying with EU water treatment directives. As a consequence, all three regions are investing considerable budgets for the construction and upgrading of their municipal water treatment plants and collectors by 2005. Another priority will also be to reduce nitrate and chemicals groundwater contamination, caused by an intensive agricultural industry. In the coming years, Belgium will also plan considerable investments in increase air pollution control in order to concentrate on reducing emissions of particulate matters in urban areas, mainly produced by intense motor vehicle, aviation and domestic heating pollution. Belgium has positioned itself as an active contributor to reducing pollution resulting in climate change issues. Belgium has an excellent record of national waste management. However, the new EU directives such as electrical and electronic recycling (WEEE) will require further investments in this niche sector for the coming years.

Belgium has had a few serious cases of site contamination. As a result, Flanders has a plan to remediate all contaminated historical sites by 2036. Industrial site owners are now liable for their lifetime for any pollution generated on site. By 2003, soil of all gas

stations will need to be sampled and potentially de-polluted of hydrocarbons. Wallonia has a similar plan to remediate old sites by 2010.

The total environmental expenditure in Belgium (public and private sectors) is about 1.3 percent of GDP and amounts to approximately 3 million dollars with priorities on waste management, water treatment, and air pollution control. Belgium will make increased environmental investments in the coming years to meet its domestic objectives as well as its EU and other international environment commitments. Best prospects include measurement and analysis instruments, monitoring equipment, process controls, emission filters, recycling (electric and electronic equipment, cars, sludge, liquid waste, old tires, and green waste), and waste water and soil remediation.

Market Statistics	1999	2000	2001
Total Market Size	2,770	2,550	3,071
Total Local Production	3,046	2,830	3,376
Total Exports	896	841	870
Total Imports	620	560	565
Total Imports from U.S.	60	49	53
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 6

Name of Sector: Telecommunications Services

ITA industry code: TES

In the four years since the liberalization of the Belgian telecom market, tariffs for telephone and data services have sharply fallen and the market has become highly competitive. Today, Belgium has the highest broadband penetration in the world with 80 percent broadband access. Such widespread access and subsequent Internet usage creates a huge potential for web-based services.

The current slump in the worldwide telecommunications markets has helped Belgium's former monopoly holder Belgacom re-establish a strong market position, and it currently holds an 80 percent market share. U.S. companies complain about interconnect rates that favor Belgacom as well as lack of independence of the regulator. The Belgian government is planning further privatization of Belgacom and reform of the regulator by the end of 2001.

Mobile telecommunications services in Belgium are still the fastest growing segment of all telecommunication services, with a 76 percent increase in 2000. Today, 6.315 million people or 63% of the population use mobile telecommunications. By the end of 2001, this number is expected to increase to 73 percent. Mobile telecommunications technologies are developing extremely rapidly. The three GSM operators in Belgium -- Belgacom Mobile, Mobistar, and KPN Orange -- are introducing GPRS technologies (2.5

generation mobile systems) on their networks during the summer of 2001 and they each obtained a UMTS (third generation mobile system) license in 2001. A fourth UMTS license still has yet to be awarded.

No single company has emerged as the national leader in the value-added telecommunications services sector including consultancy, e-commerce, web hosting and management of out-sourced company networks. There is tremendous potential for American companies.

Market Statistics	1999	2000	2001
Total Market Size	5,764	5,955	5,799
Sales by Local Firms	4,784	4,645	4,523
Sales by Foreign-Owned Firms	1,037	1,250	1,218
Sales by U.S.-Owned Firms	633	650	633
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Rank of Sector: 7
Name of Sector: Electric Power Systems and Services
ITA Industry Code: EPS

Belgium's electric power is provided largely by nuclear energy (56.8%) followed by coal (16%) and natural gas from Algeria, the Netherlands and the North Sea (mainly Norway; 23%). According to preliminary statistics from the Energy Department of the Ministry of Economic Affairs, Belgium's electricity consumption in 2000 was 78,420 Gwh, an increase of 3.1 percent over 1999. The increase was due to improved industrial and domestic consumption, a return to normal in the steel sector, where one major company was closed for a large part of 1999, and the chemical sector, which registered strong growth in 2000. The forecast for 2001 is an increase of approximately 2.4 percent in energy consumption.

Under the National Equipment Plan for Electricity and Transmission Facilities 1995-2005, a well-coordinated program of investment provides for the steady modernization and maintenance of the system. The \$9 billion program offers good opportunities for U.S. manufacturers despite strong competition from manufacturers in the EU. The current trend is for new generation equipment to be installed with combined cycle capability. Coal fired generators will also be steadily converted to combined cycle capability. Renewable energy is in its infancy in Belgium. Only 1.7 percent of the energy consumption in Belgium is renewable. The 1995-2005 National Equipment Plan is due for revision this year.

The program is currently being revised to take into account developments in applying legislation under the EU energy de-regulation process. Increased transborder electricity trading, environmental pressures on air pollution and overhead transmission lines, and a drive towards cleaner and renewable power sources are major elements in revising the program.

The Belgian law addressing the EU energy directives on electricity and gas was passed in April 1999. The implementation date for the first stage of electricity deregulation was February 19 2000, with gas deregulation starting on August 10, 2000. New entrants into Belgium's electric power market will face stiff competition from Electrabel, which currently controls 84 percent of the market. In addition, there will be new competition from neighboring countries such as France, which produce low cost electricity from nuclear power plants. However, there will still be excellent opportunities for American companies providing support services and equipment to the power generation market.

Energy (electricity and gas) trading is developing fast. Electrabel, already a major player in the U.S. energy trading sector, is the leading Belgian company in the business. Distrigas has a small presence in gas trading in Belgium. ENRON, which has a sales office in Brussels, is active in the European energy trading market, principally through the London and Amsterdam energy trading exchanges. Other energy trading exchanges have been created in Frankfurt, Leipzig, and Stockholm. With increased liberalization of the EU energy markets providing freedom of movement for energy products across EU borders, energy trading provides a good opportunity for U.S. companies, with solid energy trading experience and techniques, to move into this comparatively new market sector. EMART 2001, which will take place in Milan in November 2001, is the leading expo and conference forum for the energy trading sector in Europe. Detailed information is available on <http://www.synergy-events.com>.

The process of liberalization in the energy sector will be the major factor determining the development of market opportunities for foreign companies to sell to local energy companies.

The following table gives an estimate of the market for electric power generating, transmission, and distribution equipment.

Market Statistics	1999	2000	2001
Total Market Size	3,268	3,661	3,710
Total Local Production	2,187	2,252	2,410
Total Exports	209	234	250
Total Imports	1,290	1,448	1,550
Total Imports from U.S.	77	87	93
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 8
Name of Sector: IT Hardware
ITA industry code: CPT

The IT hardware market was worth \$2,154 million in 2000, which is 5.7 percent more than in 1999. In 2001, the market is expected to grow by another 6.6 percent in real terms.

The largest market, PCs and portables, saw \$932 million in 2000 sales. In 2001, the PC market is expected to grow by 5.7 percent, while the portable market should grow by 7.9 percent. The server market in Belgium in 2000 amounted to \$791 million and is expected to increase by 8.1 percent in 2001. The PC printer market reached \$177 million in 2000 and will grow by 4.2 percent in 2001.

These EITO figures are confirmed by companies' first quarterly results. According to analysts, the PC market at present is characterized by a maturity process, but is far from saturated. However, mainly servers, portables and PC add-ons will fuel growth.

Competition focuses on price, flexibility and delivery periods (packaging solutions), and will become increasingly fierce. This is best illustrated by Dell's recent price cuts, challenging Compaq's 30 percent market share in Belgium. Other important players are IBM, HP and Fujitsu Siemens, and some local assemblers. The best opportunities for growth lie with SMEs.

According to the Belgian IT market research company Heliview, in 2001 computer hardware at 49.1 percent continues to be the biggest portion of total IT expenditures by Belgian companies.

One of the principal reasons for this sustained growth in IT hardware market is the surge in popularity of the Internet in Belgium. An estimated 44 percent of Belgians have access to the Internet. The e-commerce market in Belgium is expected to grow to \$13.8 billion by 2004 from \$186 million in 1999. Again, this growth will predominantly come from Internet-savvy SMEs. According to Accenture, Belgian companies use more advanced e-commerce technologies and have more commitment to e-commerce than their European counterparts.

Market Statistics	1999	2000	2001
Total Market Size	2,215	2,154	2,068
Total Local Production	753	711	682
Total Exports	399	366	351
Total Imports	1,861	1,809	1,737
Total Imports from the U.S.	782	760	729
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars

The above statistics are unofficial estimates

Note: Differences in average annual exchange rates can distort the change in market size between 1999 and 2001.

Source of Figures: EITO

Rank of Sector: 9
Name of Sector: Plastic Materials and Resins
ITA industry code: PMR

Following the low levels of the mid nineties and a period of strong growth in the late nineties and 2000, the market now faces a slowdown, which is expected to extend into 2002 at least. Average growth in 1997-2000 was 4.3 percent, but the outlook for 2001/2002 is about 2 percent at best. Price levels will continue to be very competitive as over-capacity, together with the lower market trend, lead to price-cutting marketing tactics. Restructuring and re-grouping will continue as the industry attempts to achieve cost savings by cutting capacity and achieving more efficient marketing and distribution.

The outlook for the Belgian plastic industry remains good because of its proximity to international shipping and distribution networks. Over 90 percent of production is exported, mainly to neighboring European markets. Seventy-five percent of its foreign trade in plastics and resins is with its EU partner nations. After Houston, Antwerp has the largest concentration of chemical and petroleum industries, which provide a strong local source of raw materials for the plastics and resins industries.

The high dollar exchange rate, combined with the weak Euro, has not favored imports from the U.S. Nonetheless, the strong market position and good product innovation record of U.S. plastics and resins manufacturers are expected to enable them to maintain their current level of exports to Belgium.

The Belgian plastics and resins industries rank fifth, after Germany, France, the UK and Italy, but before the Netherlands and Spain, and represents 8.5 percent of EU production and 14 percent of EU exports in those sectors.

Market Statistics	1999	2000	2001
Total Market Size	2,730	2,983	3,075
Total Local Production	24,996	27,302	27,850
Total Exports	24,443	26,699	27,250
Total Imports	2,177	2,380	2,475
Total Imports from the U.S.	168	185	190
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 10

Name of Sector: Travel and Tourism Services
ITA industry code: TRA

Despite the strong dollar, travel to the United States remains strong. Competition among transportation service providers — airlines and tour operators — has kept prices down and interest up. Sabena, United, American, Delta Air Lines, Continental and US Airways provide direct service to the United States from Brussels, while other carriers provide service through other nearby European cities. Business travel has increased due to the growth of business between the US and Belgium/EU. As a vacation destination, the US is the long-haul favorite among Belgians.

The number of travelers from Belgium to the U.S. is expected to remain stable in the next few years. This trend is due to the strong dollar. Major growth sectors include business travel, fly-and-drive packages, mobile home vacations, and event-specific packages (i.e. Indy 500, ski weeks, Disneyland, shopping trips). New York, Florida, and California continue to be the most popular destinations, though Chicago, Atlanta, Washington D.C., Boston and Cincinnati also see significant traffic. Most Belgian travelers visit more than one state in the U.S. and venture into a variety of locations. An increasing number of visitors from Belgium are choosing to rent cars to visit smaller towns and cities thus increasing motor tourism.

The Visit USA Promotion and Marketing Bureau is a very useful source of information for the travel trade and general public. This organization is also a useful resource for travel industry professionals and for potential visitors to the US. It handles over 40,000 requests annually for information, and organizes travel promotion events. Their major event is the Visit USA Workshop (next event: March 14, 2002), where some eighty exhibitors meet with over five hundred travel trade professionals from Belgium and Luxembourg to discuss business opportunities. The Visit USA Promotion and Marketing Bureau contact information is Fax: +32/(0)3 899 13 76, E-mail: info@visitusa.org, website: <http://www.visitusa.org>.

Market Statistics	1999	2000	2001
Total Market Size	10,615	9,817	8,890
Total Spending on Foreign Travel	6,016	6,867	6,220
Total Spending on Domestic Travel	4,599	2,950	2,670
Total Spending by Belgians Visiting the U.S.	603	558	505
Total Number of Belgians Visiting the U.S.	248,000	249,000	251,500
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values A-D are in millions of U.S. dollars. Values in E are in thousands of travelers.
The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size.

Rank of Sector: 11
Name of Sector: Textile Fabrics
ITA industry code: TXF

The textile fabrics sector continued to improve in 2000 in line with the country's improved economic situation. This trend is having a positive effect on consumer demand, which is reflected mainly in an increase in imports during the latter part of 2000. However, the forecast for 2001 is for little growth reflecting the overall economic outlook for the next two years.

Major subsectors are household decorative fabrics and upholstery textiles. Belgium is a major producer and exporter of household linen. There is a good market for upholstered textile, of which the U.S. is a major supplier.

The annual Decosit trade show in Belgium has become the major international event in the upholstery textile sector. Some fifty U.S. upholstery textile manufacturers exhibit at Decosit. In cooperation with the U.S. Department of Commerce Office of Textiles and Apparel (OTEXA), the U.S. Embassy organizes an American pavilion at Decosit. In addition, a parallel event called DecoContract has been created. DecoContract is for upholstery textile, floor and wall covering suppliers to the institutional markets, such as hotel groups, hospitals, cruise lines, etc. The next Decosit/DecoContract trade show will take place on September 9-12, 2001. Companies interested in exhibiting should contact: OTEXA, U.S. Department of Commerce, Washington, DC 20230; tel: (202) 482-5153; fax: (202) 482-2859.

Market Statistics	1999	2000	2001
Total Market Size	1,998	2,217	1,862
Total Local Production	4,015	4,455	3,772
Total Exports	3,773	4,184	3,546
Total Imports	1,756	1,946	1,650
Total Imports from the U.S.	84	93	79
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: 12
Name of Sector: Aircraft and Parts
ITA industry code: AIR

Belgium's two major airline carriers are Sabena, with its subsidiaries Dat and Sobelair, and Citybird. By 2002, Sabena will have gradually replaced its fleet of Boeings with Airbuses. Provided the company firms up all the orders, its total fleet will then include 34

Airbuses of the A-320 family, 8 A-330s, and 4 A-340s. Sobelair will continue to fly its B-767 and B-737. Exports from the United States are forecast to increase until 2003 due to Sabena's decision to power their 34 new Airbus A-320s with GE's CFM 56 engines, of which they have ordered 80. The company's future currently is uncertain given it and Swissair's financial situation.

Sabena Technics, a third-party repair and maintenance station, will keep its Boeing maintenance activities. In addition, the company had recently formed a 50/50 joint venture with SNCEMA that will significantly increase its maintenance and repair activities on GE engines.

Citybird is a fast-growing outside airline carrier that thrives on no-frills/low cost fares. The only significant general aviation company is Abelag. It imports, maintains and operates several brands of general aviation planes. In addition to operating a fleet of executive jets it also provides ground handling for heads of state planes.

There are approximately 120 Belgian companies involved in manufacturing and supplying aircraft parts. The best way to contact them is via their trade associations, FLAG and GEBECOMA. To enter the military market, American suppliers should contact the Office of Defense Cooperation (ODC) via the US Embassy. Zaventem, Brussels' international airport, handled 20 million passengers in 1999 and is continually expanding with a new concourse currently in the design stage.

The Belgian Government as well as the local Aerospace Industry are poised to participate in two major projects: the Airbus A-400M to replace the C-130, and the Airbus A-380. Both projects are supported by the government. A final decision on keeping and upgrading or replacing 90 F16s has been postponed.

Market Statistics	1999	2000	2001
Total Market Size	531	622	497
Total Local Production	145	170	204
Total Exports	193	226	271
Total Imports	579	693	693
Total Imports from U.S.	241	283	283
Exchange Rate: BEF per \$	37.73	41	45.5
Exchange Rate: Euro per \$	1.0691	0.9839	0.8866

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1999 and 2001.

Rank of Sector: NR
Name of Sector: Biotechnology
ITA industry code: BTC

Belgium's well-structured network of prominent research institutions and universities, and the quality of the available science and technology have attracted many research

oriented multinationals. While Belgium represents less than 3% of the European population, it has no less than 100 biotech companies, employing 4,500 employees.

The healthcare sector represents 77% of total biotech activity. Nevertheless, agricultural biotechnology, which represents less than 10% is growing rapidly. Both federal and local governments are strong supporters of biotechnology. They offer flexible and significant financial incentives, particularly for international developing activities and investing in Belgium.

Opportunities in the Belgian biotechnology market include research partnerships and collaboration with a strong network of academic and research institutions. There is also a movement to educate consumers about the benefits of genetically modified food and crops.

Since biotechnology is not a sector in itself but a technology that can be applied within various sectors such as the pharmaceutical, the chemical, and the agricultural sectors, there are no accurate figures available.

BEST PROSPECTS FOR AGRICULTURAL PRODUCTS TO BELGIUM AND LUXEMBOURG:

WINE

Belgium imports of U.S wine remained quite stable with a 1.3 percent decrease in 2000 to 5.75 million dollars from 5.82 million dollars in 1999 (figures adjusted according to current exchange rate) according to the Belgian Office of Foreign Trade. Although France continues to be the major supplier of wine to the Belgian market with approximately 71 percent of market share in 2000, France continues to lose market share to wine from the "New World" countries such as South Africa, Chile, and the U.S. In Belgium, wine from the United States jumped from 2.07 million dollars in 1997 to 5.74 million dollars in 2000. On a volume basis, Belgian imports from the U.S. increased from 1.092 million liters to 1.6 million liters during the same time period. Although the Belgian market is relatively small, interest in U.S. wines is growing. Popular varieties in Belgium include Cabernet Sauvignon, Chardonnay, Zinfandel, and Pinot Noir. Because the average price for wines retailed through Belgian supermarkets is approximately \$5, specialty wine shops and the hotel/restaurant sector offer the most opportunity for U.S. wines. Belgian consumers value quality and are willing to pay higher prices for premium wines. Promotional support and consumer education efforts are important tools to stimulate U.S. wine sales in the Belgian market.

Market Statistics	1999	2000	2001
Total Market Size (in 1,000 liters)	204,998	207,000	220,000
Total Local Production (Bel & Lux)	16,000	16,000	16,000
Total Exports	29,534	29,000	20,000
Total Imports	218,532	220,000	224,000
Total Imports from the U.S.	1,929	2,300	2,000

Data for 2001 included in this chart are estimates
Source of trade data: Belgian Office for Foreign Trade.

TREE NUTS

Compared to other countries in the European Union, Belgian per capita consumption of tree nuts is relatively small. However, nut consumption has been increasing in the past five years and potential exists for continued increases in consumption, particularly for walnuts and almonds. Although a significant amount of Belgian nut imports are sold through specialty stores, retail sales through supermarkets are becoming increasingly important. Nuts are often imported in-shell and then roasted and salted in Belgium. In addition, there are a number of Belgian food-processing firms that use imported nuts in bakery products, confection and ice cream. Likewise, nuts are an important input for snack foods, a market estimated at 66 million dollars.

Market Statistics	1999	2000	2001
Total Market Size (in Metric tons)	24,092	28,642	29,000
Total Local Production	600	600	600
Total Exports	20,486	16,388	16,600
Total Imports	43,978	44,430	45,000
Total Imports from the U.S.	7,033	6,843	7,000

Data for 2001 included in this chart are estimates
Source of trade data: Belgian Office for Foreign Trade.

Brief Description of Banking System

The National Bank issues the Belgian currency, acts as a state banker and intervenes as lender of last resort in credit operations. The mainspring of its monetary policy is the management of interest rates on three-month treasury bills. The Banking Commission's role includes the supervision of private institutions such as deposit banks, savings banks, finance companies, holding companies and mutual funds. However, the public credit institutions fall under the authority of the Minister of Finance.

Using the banks' external assets as a yardstick, the Belgian banking sector is the fourth largest in Europe and the seventh largest globally. Belgian banks are very active in the Eurocurrency sector, as are numerous foreign banks established in Belgium, which have made such operations their principal activity.

There are three main trading banks in Belgium: the Fortis Bank (previously the General Bank), Brussels Bank Lambert and KBC (formerly the Kredietbank). Each one has a well-developed correspondent bank network in the U.S., as well as a local representative office in at least one major U.S. city. Due to few restrictions, easy tele-electronic communications, and widespread use of English, banking relationships with the U.S., as well as other countries, are smooth.

The Euro

Belgium, along with ten other countries, participates in the European common currency. The implementation of this new currency, the Euro, is expected to benefit American corporations by providing a common currency without exchange fluctuations among the eleven members.

On January 1 1999, the Euro was officially introduced to the market. Irrevocable conversion rates between the Euro and eleven participating currencies within the EMU were set on December 31 1998. The eleven countries that are included in Euroland are Belgium, Austria, Spain, Ireland, France, Italy, the Netherlands, Portugal, Germany, Luxembourg, and Finland. The fixed rate between the Euro and one Belgian Franc is 40.3399. These rates are always given in six digits and are the only official rates that exist for the member currencies. Therefore, the conversion of one national currency into another must always be carried out via the Euro.

On the day of the Euro's introduction, one Euro was equivalent to \$1.1789. On the financial markets, the Euro is quoted per unit against currencies that do not belong to the currency union such as the USD, the JPY and the GBP. At this time, the Euro exists only in non-cash form. This will change in January 2002 when Euro notes and coins will be issued. Currently, companies and individuals can conduct their financial transactions in Euros, but this is not obligatory. By February 1 2002, only Euro notes and coins will be in circulation in Euroland.

According to the terms of the Treaty of Maastricht, European Common Units (ecus) have now been replaced by Euros at a rate of one to one. Any reference to ecus in existing contracts will automatically become a reference to Euros.

Foreign Exchange Controls Affecting Trading

There are no foreign exchange regulations or limitations on the transfer of capital or profits in Belgium, except in exceptional situations; i.e. UN sanctions against Iraq and Libya. Though Belgium has a very high public debt, currently about 115 percent of GDP, 85 percent of that debt is domestically held. There are no foreign exchange problems, and the balance of payments situation is very healthy. Consequently, there are no problems related to the country's ability to maintain its extensive import program.

General Financing Availability

Belgium is a country where exports and imports balance each other and amount to roughly two thirds of GDP. Consequently, the process of paying for imported goods is well understood by banking staffs -- even in the smallest regional and local branches. Generally speaking, buyers show a preference for payment by cash against documents (CAD), as this is the simplest and least costly method. However, they understand U.S. and transcontinental buyer requirements for letters of credit (L/C). This is often the form of payment for U.S. companies beginning to sell to Belgium. In cases, where Belgian importers and their U.S. suppliers have built up mutual confidence, letters of credit are superseded by time drafts and eventually by CAD terms. In rare instances, open account terms (i.e. where the importer pays after receipt of the goods) are used.

While in the past the Belgian venture capital (VC) market was small by all accounts, Belgium has recently become a leader in the European VC field. Today, Belgium is Europe's fourth largest VC country behind the UK, Sweden, and the Netherlands. In 1999, Belgian VC firms offered \$720 million in VC funding compared to only \$290 million in 1998, representing a 250 percent increase. During 2000 however, due to the malaise in the technology sector, Belgian VC firms were more affected by the bursting of the techno-bubble than other European VCs because they are the most internationally oriented in Europe with 35 percent of its investments going to firms abroad. Belgian VC firms are known to invest in high risk areas, for example 60 percent of Belgium's VC funds go to information and communications technology (ICT) compared to only 30 percent in the rest of a more conservative Europe. Belgium's VC environment is more similar to that of the U.S., where 85 percent of VC goes to ICT.

The Belgian Venture (BV) Association (<http://www.bvassociation.org>) is made up of almost 50 VC firms consisting of both well-known international firms such as KPMG Corporate Finance, Deloitte & Touche Corporate Finance, Baker & McKenzie, and prominent domestic VC firms such as KBC Investco, Petercam Securities, and Puilaetco. Government-owned Belgian investment companies account for 40 percent of the VC funding, highlighting the strong commitment that the entire country places on venture capital.

How to Finance Exports/Methods of Payment

Belgian importers are relatively small, with inadequate sources of inexpensive capital and consequently press for the most lenient credit terms possible. In addition, they are accustomed to being offered flexible payment terms, mainly from their neighboring trading partners, including France, Germany, the Netherlands, U.K., Switzerland, and (sometimes) Italy. Extended payment terms of 30, 60, 90 and even 120 days are not unusual, though the most common payments terms are net 30 days. However, Belgian businesses, like many in Europe, routinely delay payment beyond the agreed upon terms. In Belgium, some 43 percent of all payments are not made on time, although 80 percent of the delayed payments are made within another 30 days. In short, 91 percent of all payments by Belgian businesses are made net 60 days. Yet, this is a better record than in Italy or the U.K., and equal to that of France and the Netherlands.

Since the use of credit is consequently widespread, flexible credit terms can be important to winning sales contracts in Belgium. A U.S. firm should consider offering such terms, provided it is able and willing to provide such financing and has done a full credit check into the background of the Belgian company. Even then, it would probably be wise to try several shipments on a secured credit basis before moving to easier terms. There are several local credit agencies available, i.e., Dun and Bradstreet and Graydon.

Import duties and value added tax (VAT) are applied to the CIF (Cost Insurance Freight) value of goods. The rate of import duties is the same as that applied by all EU countries. Since products coming from other EU members enter Belgium duty free, U.S. products often start off with an average 5-6 percent price disadvantage. By offering favorable credit terms, U.S. suppliers can help their importers offset a portion of that higher price.

Types of Available Export Financing and Insurance

The Belgian financial marketplace is private-sector oriented. There is one government-sponsored institution for financing imports.

Office National du Ducroire
40 Square de Meeûs
B-1000 Brussels
Tel: +32/ 2/ 509-42-11
Fax: +32/ 2/ 513-50-59
Email: ducroire@ondd.be
Contact: Mr. Yves Windelinckx, Director

Project Financing Available

There are no special programs for financing major projects in Belgium. Major projects are financed by commercial and investment banks.

List of Banks in Belgium with Correspondent U.S. Banking Arrangements

FORTIS BANK
Montagne du Parc, 3
1000 Brussels
Tel: +32/2 565-11-11
Fax: +32/2 565-42-22
Internet: <http://www.fortisbank.com>
Email: info@fortisbank.com
Contact: Luc Delvaux (General Manager of Financial Institutions and Banks)

Fortis is an international group active in the field of banking, investment, and insurance. The group employs a workforce of over 62,000. Fortis is one of the largest providers of integrated financial services to individuals, companies, institutional investors and the public sector. It is also the largest bank in Belgium.

Fortis began 10 years ago as a collaborative venture between two companies - AMEV/VSBB, the first bank/insurance company in the Netherlands and AG 1824m Belgium's largest insurance company. It was the first cross-border merger in Europe's financial sector. Since its creation, the group has grown through the addition of companies, such as ASLK-CGER, MeesPierson, John Alden, Generale de Banque and American Bankers Insurance Group.

The bank has offices in New York, Stanford, Dallas, and Boston.

BANK BRUSSELS LAMBERT (BBL)
Avenue Marnix, 24
1000 Brussels
Tel: +32/2 547-21-11
Email: info@bbl.be
Website: <http://www.bbl.be>
Contact: Michel de Crayencourt (Financial Manager)

In early 1998, the ING Group took over Bank Brussels Lambert, and the resulting combination is a market leader in the Benelux and a group ranked twelfth in Europe.

BBL's core business areas are retail banking and insurance, corporate and institutional banking, financial markets and investment banking, and asset management and private banking. Through specialized companies, BBL also provides services in the areas of leasing, factoring, and travel. The BBL's American office, which focuses on corporate business, is located in New York.

KBC	CBC Bank Headquarters
Havenlaan, 2	Grand-Place 5
1080 Brussels	1000 Brussels
Tel: +32/2 429-71-11	Tel: 32/2 800-920-20
Fax: +32/2 429-81-31	Fax: 32-78-15-34-56
Website: http://www.kbc.be	Website: http://www.cbc.be
Email: kbc.telecenter@kbc.be	
Contact: Patrick Robbe (Commercial Specialist)	
Helga Van Impe (Head Foreign Trade Promotion)	

The KBC was formed in June 1998 from the (domestic) merger of Kredietbank, a retail and corporate bank, CERA Bank, a co-operative bank, and ABB, a mutual insurance company. The KBC Group is the second largest financial services group in Belgium. KBC Bank is the second largest bank and KBC Insurance, the third largest insurance company. The KBC focuses on 4 activities: retail bank/insurance, corporate services, asset management and market activities.

The CBC is a branch of the KBC Group, especially active in Wallonia, the French-speaking part of the country. The Group also has branches in New York, Atlanta, and Los Angeles.

DEXIA
Square de Meeus, 1
1000 Brussels
Tel. 32/2 222-11-11
Fax. 32/2 222-40-32
Internet: <http://www.dexia.com>
Contact: Mr. Hughes Jochen (Corporate Affairs Manager)

Dexia is the result of a joint venture between the Credit Communcal of Belgium and the Credit Local of France (called Dexia). It is currently the third most important bank in the country.

Created in 1996 and active in twelve European countries and listed on the Brussels, Paris and Luxembourg stock exchanges, Dexia is included in two major stock market indexes (CAC 40 and BEL20). Under the management of a French-Belgian executive committee, Dexia has a board of directors on which five nationalities are represented.

With a market share of more than 15 percent in Europe, Dexia is the leader in project and public finance and financial services for municipal and government bdies. Through its subsidiaries and affiliates, it is active in almost all EU countries, as well as in the United States.

Through its network, which counts a thousand branches in Belgium and Luxembourg, Dexia also has a solid position in retail banking and bank/insurance. Its network

provides individual customers and small businesses with retail banking services. Due to its preeminent role in the Luxembourg financial market, Dexia is one of the major players in Europe in private banking and asset management.

The bank's only office in the U.S. is located in New York.

ARTESIA BANK
W.T.C Tour 1
Boulevard du Roi Albert II, 30 - Box 2
1000 Brussels
Tel. 32/2 204-41-11
Fax. 32/2 203-20-14
Internet: <http://www.artesia.be>
Email: artesia@artesia.be
Contact: Dirk Coeckleberg (Commercial Manager)

Artesia positions itself as a bank for large and medium-sized companies and focuses more specifically on family-owned businesses. The bank presents itself as a specialized merchant bank and portfolio manager in four core business lines: capital markets, corporate, private and institutional banking. The service package includes among other things cash-flow management, structured finance, international trade finance and export finance.

Artesia Banking Corporation is a medium-sized European financial services group. Its risk-bearing assets amount to \$3.4 billion (of which \$1.4 billion are its own funds). 99.6 percent of the capital of the public limited company Artesia Banking Corporation is held by the financial holding company Arcofin.

As the Group's retail banking operation, BACOM Bank targets private individuals, the self-employed, and local companies. As a cooperative company, it distinguishes itself from other Belgian banks by making cooperative ownership by customers a central feature.

Business Customs

Business Hours

Government offices are open Monday through Friday from 8:30 a.m. - 12 p.m. and from 2 p.m. - 4:30 p.m. Banks are open Monday through Friday from 9 a.m. - 4 p.m. Private companies are generally open from 8:30 a.m. - 4 p.m. while shops and stores open at 9 a.m. and close at 6 p.m.

Languages

Belgium has three national languages:

Dutch (sometimes referred to as Flemish), French, and German. English is also frequently understood throughout Belgium. In Flanders, the northern region of Belgium, Dutch is the predominant language while in Wallonia, the southern region, most people speak French. Residents in a small section of Belgium near Germany speak German as their primary language. Brussels, the center region, is officially bilingual, speaking both Dutch and French.

As in any other country, language is a crucial part of doing business in Belgium. Many documents must be filed in at least one of the three national languages. It would benefit companies to have personnel who speak one of the languages, or to seek the help of a professional translator.

Travel Regulations

Provided that their stay does not exceed three months, nationals of the following countries do not require a visa: Western Europe, East European countries, North America, Central and Latin America (with the exception of Columbia, Bolivia, Peru, Guinea, Surinam and Guinea-Bissau), Japan, Australia, New Zealand, Singapore, Republic of Korea, Hong Kong, Brunei and a number of African countries except for Burkina Faso, Niger, Togo, and Ivory Coast. Visitors of these countries must, however, be in possession of a valid national passport.

Travel Advisory and Visas

Visas are not required for U.S. citizens traveling in Belgium for less than 90 days. Because of Belgium's persistent unemployment rate (10 percent) resident visas are difficult to obtain for non-EU citizens. To obtain a residence visa, it is necessary to have a working permit, which in turn is difficult to obtain. Working permits are limited to managerial positions in foreign owned companies and for people with special skills not available in Belgium. It usually takes eight to twelve months to obtain a working permit and 18 months to obtain a professional card. Specialized lawyers situated in Belgium can assist in the process. Americans looking for jobs in Belgium are almost never issued working permits.

Belgium remains a relatively safe country and anti-American sentiment is rare. By taking reasonable precautions, visitors should enjoy a peaceful stay. However, street thefts, purse snatching and pick pocketing are occurring more frequently. The emergency numbers for the police and medical assistance are 101 and 100 respectively and for cellular phones (locally) 112. Visitors to Belgium requiring additional information should contact the Brussels Regional Security Office 32/2/508-2370.

Currency and Credit Cards

The Belgian franc is currently the local currency. Beginning January 1, 2002, the Euro will become legal tender (i.e., coins and notes) for consumer transactions in Belgium. The phase-in of Euro notes and coins will take place alongside local notes and coins until February 29, 2002. Beginning March 1, only Euros will be accepted as legal tender for commercial and consumer use. Most hotels and restaurants take credit and charge cards (American Express, Eurocard/MasterCard, Diners Club, Visa etc.).

Voltage

220/380 volts AC 50 three-phase current.

Business Infrastructure

Public transportation is readily available and Belgium has excellent communications links with the rest of the world. Belgium is also home to an extraordinary rich media

offering the broadest selection of television channels in Europe. TV viewers currently have access to programs broadcast from 7 different countries in Dutch, English, French, German, Spanish, and Italian. CNN is also available on cable. The country is blessed with an intense and varied cultural life and is highly regarded for its acceptance of foreign goods and persons, and its overall life style and family-oriented values system. For further information contact the Belgian Tourist Office, rue Marché aux Herbes 61, B-1000 Brussels. Tel: +32/2 513-89-40 Fax: +32/2 514-45-38 or consult <http://www.belgium.fgov.be>.

Belgian Holidays - 2002

January 1	New Year
April 1	Easter Monday
May 1	Belgian Labor Day
May 9	Ascension Day
May 20	Whit Monday
July 21	Belgian Independence Day
August 15	Assumption Day
November 1	All Saints Day
November 11	Armistice Day
December 25	Christmas

COUNTRY DATA

Population:	10.2 million		
Population Growth Rate:	0.39 %		
Religions:	Roman Catholic	75 %	
	Agnostic	10 %	
	Atheist	12 %	
	Other	2 %	
Languages (by regions):	Flanders (Dutch) Wallonia (French) Brussels (Bilingual)		
Languages (by % of population):	Dutch speaking	57.6 %	
	French speaking	32.4 %	
	German speaking	9.3 %	

Work Week:
hours

Monday — Friday, 37.5

Government System:
with

Constitutional monarchy
Parliament

DOMESTIC ECONOMY

	1999	2000	2001 (e)
GDP (billions of dollars)	250.9	229.7	230.3
Real GDP Growth Rate (percent)	1.5	2.8	2.0
Real GDP per Capita (dollars)	24,598	22,519	22,578
Gov. Spending (percent of GDP)	47.9	46.7	45.8
Unemployment (percent)	8.8	7.0	6.7
Foreign Debt	11.1	7.9	6.1
Unit Labor Costs (percent change)	1.1	0.1	1.9
Labor Productivity Rate	1.2	2.2	1.9
Consumer Price Inflation (percent)	1.1	2.7	2.2
Exchange Rate (BEF/US\$)	37.84	43.66	45.5

Billions of U.S. dollars except where otherwise indicated.

Sources: National Bank of Belgium; Finance Ministry; Bureau de Plan

TRADE

	1997	1998	1999	2000
Total exports (f.o.b., \$ billions)	168.2	178.1	179.2	186.1
Total imports (C.I.F., \$ billions)	155.8	163.7	164.9	173.0
U.S. exports (f.a.s., \$ billions)	13.4	13.9	12.3	13.9
U.S. imports (customs, \$ billions)	7.9	8.4	9.2	9.9

Source for data is Belgian Ministry of Economic Affairs, U.S. Census Bureau

Main U.S. exports to Belgium: Machinery; tobacco & tobacco products, including cigars & cigarettes; organic chemicals; plastics; precious stones and metals; vehicles, automotive parts & accessories; medical instruments; computer hardware & software; chemicals.

Main U.S. imports from Belgium: Precious stones and metals; machinery; cars & other vehicles; organic chemicals; iron and steel; pharmaceutical products; petroleum; plastics; electrical.

ADDITIONAL INVESTMENT STATISTICS

Foreign Ownership Restrictions: None

Total U.S. Investment in Belgium, historical cost basis (1999): \$17.3 billion

As a percentage of total foreign investments (1999): 9.1%

Historical U.S. Share Of Foreign Investment: 13%

PRINCIPAL FOREIGN INVESTORS (1989-1998):

Netherlands	21.9 percent
Germany	17.1 percent
France	16.0 percent
United States	11.0 percent

U.S. and Foreign Commercial Service Personnel:

Mr. George Knowles, Commercial Counselor

Ms. Angela Dawkins, Commercial Attaché

EMB/FCS

PSC 82 Box 002

APO AE 09710

Tel: +32/2 508-24-25

Fax: +32/2 512-66-53

Website: <http://www.us-embassy.be>

Economic Section:

Mr. Eric Benjaminson, Economic Counselor

EMB PSC 82 Box 002

APO AE 09710

Tel: +32/2 508-24-48

Fax: +32/2 513-53-33

Website: <http://www.usembassy.be>

Foreign Agricultural Service:

Mr. Philip Letarte, Agriculture Counselor
Located at the U.S. Embassy in The Netherlands
FAS/EMB PSC 71, Box 38
APO AE 09715

Tel: +31/70 310-92-99

Fax: +31/70 365-76-81

Website: <http://www.usemb.nl/fasmain.htm>

(Note: The Agricultural Counselor in The Hague has regional responsibility for Belgium and Luxembourg.)

Other U.S. Government Contact (Washington, DC):

U.S. Department of Commerce

Kerry O'Connor, Desk Officer

Washington D.C. 20232

Tel: 202/ 482-6008

Fax: 202/ 482-2897

American Chambers of Commerce:

Ms. Jo Ann Broger, General Manager
American Chamber of Commerce in Belgium

Avenue des Arts, 50, Box 5

1000 Brussels

Tel: +32/2 513-67-70

Fax: +32/2 513-35-90

Website: <http://www.amcham.be>

Visit USA Tourist Information Center

Mr. Birgit Lambrechts, Office Manager

Mr. Peter Mathieu, President, Visit USA Steering Committee

203 Boulevard Général Jacques

1050 Brussels, Belgium

Tel: +32/2 648-43-56

Fax: +32/2 648-40-22

Website: <http://www.visitusa.org>

The Visit USA Tourist Information Center promotes tourism to the United States.

Belgian Trade and Industry Associations:

Brussels Chamber of Commerce

Olivier Willocx, General Director

Avenue Louise, 500

1050 Brussels

Tel: +32/2 648-50-02

Fax: +32/2 640-93-28

Website: <http://www.ccib.be>

F.E.B. (Federation of Belgian Enterprises)

Gui de Vacleroy, President

Tony Vandeputte, Managing Director

Rue Ravenstein, 4

1000 Brussels

Tel: +32/2 515-08-11

Fax: +32/2 515-09-99

Website: <http://www.vbo-fbe.be>

The Belgian business federation is a nationwide organization of employers. It is composed not of individual companies, but of industrial and trade federations. This is Belgium's biggest association and represents all employer groups in negotiations with labor unions and the government.

AGORIA (The Multisector Federation for the Technology Industry)

Philippe de Buck van Overstraeten, Chief Executive Officer

Diamant Building

A. Reyerslaan 80

1030 Brussels

Tel: +32/2 706-78-00

Fax: +32/2 706-78-01

Website: <http://www.agoria.be>

This is the largest of the specialized federations and is made up of firms engaged in all phases of the following sectors: metal working, plastic conversion, measuring, analysis and regulating instrumentation, electronics and electrical, aeronautical, telecommunications and data processing.

FECHIMIE (Federation of Belgian Chemical Industries)

Jacques Van Bost, President

Paul-François Smets, Manager

Square Marie Louise, 49

1000 Brussels

Tel: +32/2 238-97-11

Fax: +32/2 231-13-01

This federation includes firms in all fields relating to chemicals, including petrochemicals, drugs, fertilizers, rubber, toiletries, plastics, etc.

FEDERATION PETROLIERE BELGE

Jean Vermoes, Manager

Rue de la Science 4

1040 Brussels

Tel: +32/2 512-30-03

Fax: +32/2 511-05-91

This federation groups all bulk oil importers, distributors and manufacturers of petroleum products and derivatives.

FEBELTEX (Federation of Textile Industries)

Jean Francois Quix, Director

Rue Montoyer, 24, 1000 Brussels

Tel: +32/2 287-08-11

Fax: +32/2 230-65-85

This federation includes the full range of the Belgian textile industry including synthetics, carpets, cotton and wool.

VLAAMS ECONOMISCH VERBOND (V.E.V. - Flemish Economic Union)

Jef Roos, President
Mieke Offeciers-Van de Wiele, Managing Director
Philippe Muyters, General Director
Brouwersvliet, 5, Box 4
2000 Antwerp
Tel: +32/ 3 202-44-00
Fax: +32/ 3 233-76-60
Website: <http://www.vev.be>

V.E.V. is the representative employers federation covering the Flemish part of Belgium. It is independent of the F.E.B., but cooperates with it since their activities are parallel. It acts as spokesman for its members' interests with the Flemish regional authority and tries to stimulate the Flemish economy by a wide range of different initiatives.

UNION WALLONNE DES ENTERPRISES (Wallonian Enterprise Association)

Jean Stephenne, President
Mr. Xavier Desclee, Managing Director
Chemin du Stocquoy, 1-3
1300 Wavre
Tel: +32/ 10 47-19-40
Fax: +32/ 10 45-33-43
Website: <http://www.uwe.be>

This is the equivalent of the V.E.V. for Wallonia.

Belgian Government Offices:

Mr. Raoul Delcorde
Minister Counselor for Economic Affairs
Belgian Embassy
3330 Garfield Street, NW
Washington D.C. 20008
Tel: 202/ 333-6900
Fax: 202/ 625-7567
Website: <http://www.diplobel.org/usa/>

Mr. Everarts de Velp, Commercial Attaché Walloon Region or
Mr. Alain Decraene, Economic Representative of Flanders
3330 Garfield Street, NW
Washington D.C. 20008
Tel: 202/ 333-6900
Fax: 202/ 625-7567

Mr. Pierre Nibioulle, Conseiller adjoint
Ms. Sandrine Wuiot, Conseiller adjoint
Mr. Yves Jasselette, Conseiller adjoint
Mr. Wilfried Clerens, Adjunct-adviseur

U.S.A. Department
Belgian Foreign Trade Board
W.T.C. Tower 1, Box 36
Boulevard du Roi Albert II 30, Box 36
1000 Brussels
Tel: +32/2 206-35-11
Fax: +32/2 203-18-12
Email: info@obcebdbh.be
Website: <http://www.obcebdbh.be>

Belgian Customs and Excise Tax Service
R.A.C. Financie Toren
Kruidtuinlaan 50, Box 37
1010 Brussels
Tel: +32/2 210-30-11
Fax: +32/2 210-33-26
+32/2 210-32-47

Belgium Consulates in the US:
Consulate General of Belgium
Peachtree Center, North Tower, Suite 850
235 Peachstreet St., N.E.
Atlanta, GA 30303
Tel: 404/659-2150
Fax: 404/659-8474
Email: Atlanta@diplobel.org

Consulate General of Belgium
333 North Michigan Avenue, Suite 2000
Chicago, IL 60601
Tel: 312/263-6624
Fax: 312/263-4805
Email: Chicago@diplobel.org

Consulate General of Belgium
6100 Wilshire Blvd., Suite 1200
Los Angeles, CA 90048
Tel: 323/ 857-1244
Fax: 323/ 936-2564
Email: LosAngeles@diplobel.org

Consulate General of Belgium
ITT Building
1330 Avenue of the Americas, 26th Floor
New York, NY 10019-5422
Tel: 212/586-5110
Fax: 212/582-9657
Email: NewYork@diplobel.org

Regional Governments:
Ministry of the Walloon Region

Place de la Wallonie
5100 Jambes
Tel: +32/ 8 133-37-00
Fax: +32/ 8 133-38-88

Ministry of the Brussels Region
Koningsstraat 2
1000 Brussels
Tel: +32/2 518-17-11
Fax: +32/2 518-17-39

Ministry of the Flemish Region
Boudewijngebouw
Boudewijnlaan 30
Tel: +32/2 553-57-16
Fax: +32/2 553-59-59

Department of Economics:
Markiesstraat
1000 Brussel
Tel: +32/2 553-39-02
Fax: +32/2 553-40-67

Foreign Investment Offices:

Ministry of Economic Affairs
Foreign Investors Service,
G. Lemanstraat 60
1040 Brussels, Belgium
Tel: +32/2 206-58-63
Fax: +32/2 514-03-89

Ministry of Wallonia
Foreign Investors Interface
Avenue Materne, 115
5100 Namur
Tel: 32/ 81 33-28-56
Fax: 32/ 81 33-28-69
Website: <http://www.ofisa.be>

FFIOC - Flanders Foreign Investment Office
Leuvenseplein 4
1000 Brussels
Tel: +32/2 227-53-11
Fax: +32/2 227-53-10
Email: Flanders@ffio.be
Website: <http://www.ffio.be>

Office for Foreign Investment (Brussels Region)
Rue du Champ de Mars, 25
1050 Brussels
Tel: +32/2 513-97-00

Fax: +32/2 511-52-55

American State Offices in Belgium:

Counsel of American States in Europe: <http://www.case-europe.com>

ARKANSAS

Rue St. Georges 22-24, box 1
1050 Brussels, Belgium
Tel: +32/2 649-60-24
Fax: +32/2 649-48-07
Man. Dir.: Ms. Sybille Magee
Office Man.: Ms. Alice Frijns

GEORGIA

Department of Industry & Trade
Avenue Louise 475, box 11
1050 Brussels, Belgium
Tel: +32/2 647-78-25
Fax: +32/2 640-68-13
Man. Dir.: Mr. James Blair
Deputy Director: Mr. Ryan Thornton
Trade Rep.: Ms. Lisa Boxy

ILLINOIS

European Office
Blvd. de la Cambre 28-30, Box 2
1000 Brussels, Belgium
Tel: +32/2 646-57-30
Fax: +32/2 646-55-11
Man. Dir.: Mr. Bart A. Smit
Deputy Man. Dir.: Ms. Sharon L. Stead
Office Manager: Ms. Julie Gibon

KANSAS

European Office
Avenue des Arts 41, Box 1
1040 Brussels, Belgium
Tel: +32/2 505-09-98
Fax: +32/2 502-28-60

KENTUCKY

149 Avenue Louise, Box 40
1050 Brussels, Belgium
Tel: +32/2 535-76-42
Fax: +32/2 535-75-75
Dir. Europe: Mr. Stephen C. Schulte

OHIO

Rue de la Pépinière 1
1000 Brussels, Belgium
Tel: +32/2 512-86-87

Fax: +32/2 512-66-14
Email: ohio.Europe@euronet.be
Managing Director: Mr. Paul Zito
Asst. Dir.: Ms Kerry Lydon

OKLAHOMA
Lambermonstraat, 7
B-2000 Antwerp, Belgium
Tel: +32/ 3 240-17-71
Fax: +32/ 3 240-17-70
Director: Mr. Frank Roovers
Trade Representative: Mr. Erik Roovers

Market research firms:

A.C.T.E.
Hippocrateslaan 10, bus 1
1932 Sint-Stevens-Woluwe
Dir.: Mr. Randy E. Miller
Tel: +32/2 720-50-08
Fax: +32/2 720-14-14
Frans Lust

AMERICAN/EUROPEAN LINKS
Potaardestraat 5
1860 Meise
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Fax: +32/2 270-04-04
Sherry B. Petzold, Director

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Chaussée de Charleroi 96
1060 Brussels
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Fax: +32/2 534-66-98
Email: decitime@decitime.be
Evelyn Gessler, Managing Director

DILLES, SYLVIE
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1180 Brussels
Tel: +32/2 347-04-36
Fax: +32/2 346-14-40
Email: sylvie.dilles@skynet.be

DUN & BRADSTREET - EURINFORM S.A.
Avenue des Pléiades 73
1200 Brussels
Tel: +32/2 778-72-11
Fax: +32/2 778-72-72
Email: helpdesk@dunbrad.be
Rolv Eide, Executive VP and Managing Director Benelux;

Mr. De Backer, Finance and Administration Manager
Mr. Van Campenhout, Product Marketing and Development Director
For U.S. inquiries, please call 1-800-234-3867
<http://www.dnb.com>

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Avenue de GUI 27
1180 Brussels
Tel: +32/2 374-57-07
+32/2 374-54-15
Fax: +32/2 375-70-08
Edouard Christiaens, Manager

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Place Albert Leemans 6
1050 Brussels
Tel: +32/2 538-21-82
Fax: +32/2 538-41-24
Email: ecg@brutele.be
Richard Liss, Director (International)

EUROPEAN MARKETING RESEARCH CENTER
Avenue Louise, 283 Bte 6
1050 Brussels, Belgium
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Pierre Mathijsen, President
Edith Miller, Vice President

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Vuurberg 18
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Fax: +32/2 725-60-57
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GRAYDON BELGIUM NV-SA
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2000 Antwerpen
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Fax: +32/2 537-59-38
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Gunnar Beeth, President

I.R.B.EUROPE

Boulevard Reyers, 108
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Fax: +32/2 733-29-91
Email: peter.willis@infoboard.be
Peter Willis, Managing Director

KEYSTONE NETWORK
Jan Van Elewijckstraat 107A
1853 Strombeek-Bever
Tel: +32/2 267-99-15
Fax: +32/2 267-21-95
R. Verlinden, Managing Director

MANAGEMENT NETWORKING SYSTEMS ASSOCIATES S.A.
Perckhoevelaan 20
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Tel: +32/3 830-27-96
Fax: +32/3 828-41-94
Email: mnsa@skypro.be
Michael W. Farmer, Managing Director

McCANN ERICKSON CO. S.A.
Chaussée de la Hulpe 122
1000 Brussels
Tel: +32/2 674-13-11
Fax: +32/2 660-81-80
Email: mccann@pophost.ennet.be
Alain Van den Eynde, Managing Director

NIELSEN CO. (BELGIUM) S.A., AC
Avenue des Pléiades 73
1200 Brussels
Tel: +32/2 778-70-11
Fax: +32/2 778-70-78
Email: acnielsen.brussels@mail.beon.be
Siegfried De Smedt, Senior Vice President, Belgium, Netherlands and France

NOP RESEARCH GROUP-STRATEQ BELGIUM B.V.B.A.
Avenue Eugène Plasky, 8 Box 12
1030 Brussels
Tel: +32/2 734-65-64
Fax: +32/2 736-91-84
Email: r.cohen@village.uunet.be
Roy A. Cohen, Managing Director

POWER SYSTEMS RESEARCH S.P.R.L.
Rue de la Vallée, 4
1050 Brussels
Tel: +32/2 644-18-28
Fax: +32/2 644-30-09

Email: dennis@powersys.com
Dennis R. Huibregtse, Managing Director European Operations

RESEARCH INTERNATIONAL WORLD SERVICE

25 Louis Dehoux
1160 Brussels
Tel: +32/2 663-18-11
Fax: +32/2 673-70-73
Mr. Yves Robett, Account Manager
Mr. Michael Roe, General Director

VENTUS S.A.

Avenue Louise, 226, Box 7
1050 Brussels
Tel: +32/2 647-75-05
Fax: +32/2 648-96-04
James P. Gallo, President

WARREN STAUDT ASSOCIATES S.P.R.L.

Drève de la Meute, 2
1410 Waterloo
Tel: +32/2 354-25-11
Fax: +32/2 353-08-65
Email: 101674.656@compuserve.com
Carol Vincent, Manager

WERNER INTERNATIONAL

Woluwelaan, 140 B
1831 Diegem
Tel: +32/2 725-94-40
Fax: +32/2 725-97-07
Email: wernertex@compuserve.com
Contact: Jan Urlings, Director

WUNDERMAN CATO JOHNSON BELGIUM S.A.

Dieweg 3B
1180 Brussels
Tel: +32/2 375-61-81
Fax: +32/2 372-03-09
Email: henri_rysermans@wcj.com
Contact: Henry Rysermans, Managing Director

The following Industry Subsector Analyses (ISA) are available on
<http://www.usatrade.gov>:

Aerospace Defense
Air Pollution Control Equipment
Automotive Garage Equipment
Defense Market
Dental Equipment
Franchising

Fly & Drive to the U.S.
Hazardous Waste Management and Disposal Equipment
Hydroelectric Energy
Incentive Travel to the U.S.
Internet Services
Pharmaceuticals
Security Services
Travel and Tourism
Wind Power

Industry Subsector Analyses planned for the remainder of 2001 and through 2002 include:

Auto Parts and Services
Aerospace and Defense
Energy Services
Water Purification and Services
Biotech Applications for Pharmaceuticals
Belgium Market for Incentive Travel
Apparel Franchising
Internet Solutions

Auto Accessories
Command/Control Computers (C3i)
Energy Efficiency
Soil Remediation
GMO Products Acceptability
Belgian Visit USA Market
Educational Products/Services
E-Services

Scheduled reports for 2001 in the agricultural area include:

Fresh Deciduous Fruits Semi-Annual/Annual
Forest Products Annual
Oilseeds and Products Annual
Livestock Semi-Annual/Annual
Exporters Guide Annual
Retail Food Sector Annual
FAIRS (Food and Agricultural Import Regulations and Standards)

NOTE: Reports from U.S. agricultural attaches overseas, Foreign Agricultural Service (FAS) publication summaries, U.S. export data and trade leads for agricultural food, fish, and forestry products are available on the Internet.

FAS Belgium's web page is found at: <http://www.useu.be/agri/usda.html>
USDA's web page is: <http://www.usda.gov>

Export counseling:

The Trade Assistance and Promotion Office (TAPO) Tel: 202-720-7420; Fax: 202-205-9728, offers information to the public on foreign markets for agriculture products, and

help in accessing government programs. TAPO can provide country- and commodity-specific Foreign

Market Information reports. It also provides information on services, such as:

- Trade Leads: <http://www.fas.usda.gov/agexport/tleadsinfo.html>
- Foreign Buyer Lists: <http://www.fas.usda.gov/agexport/baindo.html>
- Buyer Alert Programs and US Suppliers: <http://www.fas.usda.gov/buying.html>

BIO Business Information Office

SCE Showcase Europe

TFW Trade Fair Washington Recruited

TM Trade Mission

W Workshop

2001/2002 Events

DATE	TITLE	LOCATION	TYPE	SECTOR
Sep 9-12, 2001	DECOSIT/ DecoContract	Brussels	TFW	Upholstery, Contract Interior
Nov 12-15, 2001	WTM	London	SCE	Travel/Tourism
March 6-8, 2002	Benelux Environmental Technology	Belgium/ Netherlands	TM	Environmental
March 14, 2002	Visit USA Workshop	Brussels	W	Travel/Tourism
March 16-20, 2002	ITB	Berlin	SCE	Travel/Tourism
April-May, 2002	Energy Efficiency and Automation	Brussels	TM	Energy
May 14-16, 2002	Telecom City	Brussels	BIO	Telecom
May 15-17, 2002	Benelux Inform. & Communication Tech	Belgium/ Netherlands	TM	Information & Communications Technology (ICT)
Sep 8-11/02	DECOSIT	Brussels	TFW	Upholstery
Sep 8-11/02	DecoContract	Brussels	TFW	Contract Interior
Sep 19-21/02	St. Lawrence Seaway	Belgium/ Netherlands	TM	Transportation